Needed Railroad Development and the Cummins Bill

THE DEVELOPMENT OF THE RAILROADS may be five years behind that of the rest of the country. It is certainly not less than three years behind.

This is much the most important fact regarding the present railroad situation. It necessarily follows that so far as the welfare of the country is determined by the condition of the railroads the thing most vitally necessary to the promotion of its welfare is that measures should be adopted which will make sure that the development of the railroads will speedily catch up with the development of the country. The only way in which the development of the railroads can be made to catch up with that of the country is to cause an enormous investment to be made in new facilities. Railroad facilities are today utterly inadequate to the handling of the commerce of the United States. If they are to be made adequate within the next three years there must be invested in them within the next three years at least three times as much new capital as ever has been invested in them in any three years.

There never has been a time since the fall of 1915 when the railroads under either private or government management could handle all of the available traffic, and there never will be such a time again until billions of new capital have been invested in them.

While this condition of affairs exists Congress is trying to frame legislation under which the railways can be returned to private operation. It is considering especially what amount of return the railroad companies should be allowed to earn. It is aware that an increase of railroad facilities is needed and that this cannot be secured unless the railroad companies are enabled to earn larger net returns than they did under the old system of regulation. But does Congress, or even those of its members who are especially engaged in framing railroad legislation, fully realize how great is the existing shortage of railroad facilities, and how vast is the amount of new capital which must be raised and invested to remedy this deficiency? We fear not.

The most ambitious and constructive effort which has been made in Congress to frame a measure the adoption of which would provide railroad development has resulted in the production of the Cummins bill. In relation to the return which the railways should be allowed to earn, this bill provides, first, that the return allowed to be earned by the railways in each territory shall be based upon the combined valuation of their properties. This at once introduces an element of uncertainty because no investor knows, or soon will know, what the valuation of any group of railways is to be. Probably, however, this is unavoidable because it is doubtful whether, in case the return is to be measured by any specific standard, any basis except valuation could be taken which would be satisfactory to the country. Second, it requires that the rates of each group of railways shall be so made that they will be able to earn an average of 5½ per cent upon the valuation. Since bonds of the strongest railroad companies are now selling at prices which yield an average return of 5.8 per cent, it seems improbable that if the average return allowed should be only 5½ per cent, the railroad companies could even raise vast sums of capital by the issuance of bonds. Furthermore, their bonded debt already is so large that future financing should be done chiefly by the issuance of stocks. It is further provided, however, that the Interstate Commerce Commission "may in its discretion" permit an additional ½ per cent to be earned, to be used, however, solely for unproductive improvements which should not be capitalized. It is a well recognized principle that unproductive improvements should be made from earnings. If the railroad companies are to make any considerable amount of unproductive improvements from earnings they must have an average return of at least 6 per cent. Why, therefore, should it be left to the discretion of the Interstate Commerce Commission to determine whether the railways shall be allowed to earn this ½ of 1 per cent?

Third, under the Cummins bill if a railway earns over 6 per cent, one-half of the excess between 6 and 7 per cent must be paid into a general railroad contingent fund. It will be seen that up to this point no carrier would have a return of more than 5½ per cent, which it could pay out as interest and dividends upon its stocks. After a carrier had accumulated and was maintaining a reserve fund equal to 5 per cent on its property, if it earned in any year more than 6 per cent upon its valuation it could keep one-third of the surplus over 6 per cent and use it for its own purposes, and must pay the remaining two-thirds of the surplus into the general railroad contingent fund. Manifestly, however, if a company may pay into its reserve fund each year only one-half of its surplus earnings between 6 and 7 per cent and only one-fourth of its surplus earnings over 7 per cent, it will take even strong carriers a long time to build up a reserve fund equal to 5 per cent of the value of the properties. Meantime, according to our interpretation of the bill, no road will be able to use a net return of more than 5½ per cent upon its valuation with which to pay its dividends on its bonds and stocks.

The general railroad contingent fund "shall be invested or expended by the Board in furtherance of the public interest in railway transportation by carriers subject to the Act to Regulate Commerce in avoiding congestions, interruptions or hindrances to the railway service of the United States by carriers subject to the Act to Regulate Commerce, or in furthering the public service rendered by them, either by way of purchase lease or rental of transportation equipment and facilities to be used by such carriers wherever the public interest may require, or by way of loans to such carriers, upon such fair and reasonable terms and conditions, in either case, as the board may prescribe."

The first comment which an examination of this plan of providing and dealing with net earnings suggests is that it is extremely complicated and by no means clear. As the provisions stand today they are susceptible of different interpretations, and these different interpretations lead to different conclusions as to how much money a railroad earning a given return upon its valuation would have available for interest and dividends. Secondly, it does not afford sufficient incentive to the efficient operation of any railway which is able to earn 6 per cent. Everybody knows the excess profits tax law is a breeder of extravagance in the management of every business earning a large return. A railway company which was earning 9 per cent would not be able to pay out more than 6 per cent to its security owners until it had built its own reserve fund up to 5 per cent, which, apparently, would take five years. After that it would be able to pay out only 7 per cent, since it would have to pay into the general railroad contingent fund two-thirds of its excess earnings over 6 per cent. Third, it seems very doubtful whether under this plan any but the strongest roads would be able for a long time to finance improvements by the issuance of stocks. Fourth, altogether aside from the question of legality, it seems very doubtful whether, as a matter of principle, earnings should be taken by the government from some roads and used for the purpose of helping to finance other roads. It may be that part of the surplus earnings of the rich roads should be taken by the government for taxation, but it certainly seems very doubtful whether the government should advance money raised in this or in any other way to railroad companies. The government should make it possible for any well-managed railroad company to earn enough to finance its own requirements. Having done this it will have done its full duty, and if then an individual railroad is not able to finance its own requirements that fact

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will show, not that the government should extend paternal aid to it, but that there should be some kind of change in the management of the road.

The most important question to be considered in relation to the provisions in the Cummins and other bills relative to railway net return is whether they are well adapted to enable the railway companies to raise about six billion dollars in new capital during the next three years. Railroad facilities are today wholly inadequate to the needs of the country, and unless six billion dollars or more is invested in new facilities within the next three years railroad facilities at the end of the next three years will still be inadequate to the needs of the country. The present provisions of the Cummins bill are a great improvement over the provisions it contained in the original draft, and their adoption would enable a majority of the railroads of the country to earn a larger net return than they earned before the adoption of government control. But it is very doubtful whether the return the existing provisions would allow to be earned and retained by the more prosperous roads would be sufficient either to cause the greatest efficiency in their operation or to enable them to raise as large a part as they ought to raise of the six billion dollars of new capital which ought to be invested in railroad facilities before the end of the year 1922.

Improvement in Financial Results Mainly Real, But Partly Nominal

TAKING THE STATISTICS for August at their face value, the railways in that month produced the best financial results that they have this year. The Class I roads, which are practically identical with the railways under government control, earned a net operating income of $92,397,000. The average net operating income earned in August of the three years on which the guaranteed return to the companies is based was $86,860,000. Nominally, therefore, the roads earned for the government a surplus of about $5,537,000.

These figures indicate a remarkable improvement since March. In that month the ratio of operating expenses to total earnings was 92 per cent and the net operating income was only 16 per cent of the government's guarantee for March. In August the ratio of expenses to earnings had declined to 76 per cent and the net operating income was 107 per cent of the government's guarantee for that month.

The real as well as the nominal improvement in financial results has been very great. Between March and August total operating revenues increased from $377,000,000 to $472,000,000, or 25 per cent. This increase of about $95,000,000 in earnings reflected a corresponding increase in the amount of traffic handled, and the increase in transportation expenses incurred in handling it was only $6,200,000, or a little over 3½ per cent. As we have often pointed out, a saving in transportation expenses is always a real and permanent saving, and this large increase in total earnings and the very small increase in transportation expenses with which it was accompanied indicate a great increase in operating efficiency between March and August.

But there is a fly in the ointment; in fact, more than one. The statistics indicate very strongly—indeed, we venture to state, conclusively—that during this time the expenditures being made for maintenance of equipment and maintenance of way were inadequate and that a large part of the improvement in financial results was secured by unduly holding down maintenance expenditures. The following table gives the percentages of increase or decrease between March and August, 1919, and March and August, 1917, the last year of private operation, in operating revenues, operating expenses and the three large classes into which operating expenses are divided:

Percentage of Increase (or Decrease) March to August, 1917, and 1918.

	1917.	1919.
Operating Revenues	15.2	25.2
Operating Expenses	7.6	3.4
Maintenance of Equipment	8.2	—4.4
Maintenance of Way	19.6	14.7
Conducting Transportation	4.4	3.6

It will be seen that between March and August, 1917, the increase in operating revenues was a little over 15 per cent. This was accompanied by an increase in expenditures for maintenance of equipment of 8.2 per cent and for maintenance of way of 19.6 per cent. There is no reason for believing that these increases in maintenance expenditures were, under the conditions, more than normal. An increase in the business handled puts an extra strain upon equipment and makes necessary more work on it to keep it in shape. There is normally a very sharp increase of expenditures for maintenance of way between March, when the large expenditures for this purpose begin, and August, when they ought to be at their maximum. On the other hand, however, between March and August, 1919, when the increase in total operating revenues was 25 per cent, there was an actual decrease of 4.4 per cent in expenditures for maintenance of equipment and an increase of only 14.7 per cent in expenditures for maintenance of way.

Careful consideration of these figures and other pertinent facts leads to the conclusion that, while nominally the Railroad Administration earned a surplus in August, actually it did not earn a surplus. Its expenditures for maintenance of equipment were $4,250,000 less than they were in March. In view of the present condition of equipment, and especially of freight cars, and also the increase in the business handled, they probably ought to have been increased at least $10,000,000 instead of being reduced $4,000,000. If they had been increased this much the Railroad Administration would have incurred a small deficit.

Furthermore, the statistics indicate that there ought to have been a substantially larger increase in expenditures for maintenance of way, and this conclusion is supported by the well-known deficiency in the tonnage of rail and ties that have been laid this year.

There is another point of some importance to be considered. The contracts with the railroad companies not only guarantee them the average return earned in the test years on investment which had been made up to the end of those years, but also a return upon all new capital invested by the companies since January 1, 1918. We do not know just what the investment made by the companies since the railways have been under control has been, but it amounts to several hundred millions of dollars, and the interest upon it must be added to the results disclosed by the statistics of the Interstate Commerce Commission and the Railroad Administration in estimating the total deficit being incurred.

The great improvement in financial results indicated by the statistics of the Interstate Commerce Commission and the Railroad Administration since March is in the main a real improvement and is highly gratifying. But it is partly nominal and reflects not only an increase in efficiency of operation, but also an excessive zeal on the part of the Railroad Administration in curtailing maintenance expenses. While the rate at which a deficit is being incurred by the Railroad Administration is being rapidly lowered, it undoubtedly would be still incurring a substantial deficit if it were adequately maintaining the properties.

In order to put the properties in good condition and render satisfactory service to the public the railway companies will have to increase expenditures for maintenance of equipment and maintenance of way after private operation is resumed, and this very important fact should not be overlooked in considering the question of what rates the railway companies will have to be allowed to charge.

Co-ordination of Railroads Under Private Operation

WHILE IT IS APPARENT that Congress will have great difficulty in passing needed legislation before that date, spokesmen of the administration continue to say without reservation that the railroads will be returned to private operation on January 1. The financial problem raised by the prospective return of the railroads is extremely difficult and important and much attention is being given to it, but hardly less difficult and important is the operating problem raised.

The American Railroad Association will meet in Chicago on November 19. It has been reorganized to bring into it as sections most of the other important railroad organizations. The association is now composed exclusively of railway officers who are in the service of the Railroad Administration, but a committee of executives representing the railway corporations has been appointed to co-operate with the executive committee of the A. R. A. in determining what methods which have been adopted by the Railroad Administration and what parts of its organization shall be retained after private operation is resumed. Our understanding is that the various questions raised have been referred to committees which will make reports to the meeting of the American Railroad Association in Chicago on November 19.

The necessity for some kind of co-ordination of the operation of the railroads of the United States after they are returned to private control cannot be too strongly emphasized. The body which should decide in what way this co-ordination shall be effected is the American Railroad Association, which, of course, should act with the advice and in harmony with the officers of the railroad corporations. Unless there is a radical change in plans it will be only a few weeks until private operation will be resumed, and therefore decisions must be made and action taken concerning this most important matter with the greatest possible expedition. There is much criticism of Congress because it is not making faster progress in the solution of the regulatory problem involved. Railway officers should not subject themselves to similar just criticism by being equally slow in solving the problem of future co-ordination of operation.

When the need for co-ordination of the operation of the railroads is emphasized, it does not follow that this means that unified operation as worked out under the Railroad Administration is desirable and should be continued. The fact is that the need for close co-operation regarding operating matters between the different railroads was recognized by the railroad corporations themselves when the war began in 1917, with the result that the Railroads' War Board was appointed and that a large organization which acted under its direction was built up. The need for some such organization as that of the Railroads' War Board existed because the traffic of the country had become larger and more complex than could be handled by the railways without closer co-operation than had previously existed. Even before the Railroads' War Board was created, however, there were numerous committees of different kinds in different sections of the country which had been formed to co-ordinate more or less the operation of the railroads in the different territories.

The adoption of government operation resulted in the destruction or absorption by the Railroad Administration of all the operating organizations which existed before. On January 1, with the cessation of government control, the entire organization of the Railroad Administration will automatically go out of existence. If, therefore, arrangements have not been made meantime for the creation of new organizations or for the continuance of the life of different parts of the Railroad Administration's organization, there will be no organization after January 1 through which the railroads can work together. The Car Service Section would go out of existence and there would be no commission or car service as there was before government control to handle the distribution of cars. The various officials who have been given charge of the joint operation of terminals in Chicago and other cities would lose their positions and the joint operation of terminals would suddenly be discontinued. The consolidated city ticket offices in the various cities would go out of existence, and there would be no individual city ticket office of the individual lines to take their place.

What would be the result? The result would be something very similar to chaos. We are told when the statistics are available it will be found that in October the railways handled more passenger and freight business than in any previous October in their history. In other words, the traffic which was moving at that time was larger than the traffic which was moving in 1917, the last year of private operation. But the railroads could not have handled the traffic in 1917 as they did if it had not been for co-ordinated operation under the Railroads' War Board. They could not have handled the railway traffic in 1918 as they did if it had not been for the co-ordinated operation under the Railroad Administration. The result of the Railroad Administration suddenly going out of existence without some organization or organizations being provided by the railroad companies to take its place would be necessarily a revival of the competitive rivalries of the individual roads, a reduction in the efficiency with which facilities in general were used, acute congestions of traffic at all the large terminals, and an enormous increase in the shortage of freight cars.

The demoralization which would ensue would not only be disastrous to the commerce of the country, but also to the prestige of private operation. The public now believes that private operation is greatly superior to government operation in efficiency, but if the return of the railroads to private operation should suddenly be followed by a great decline in the efficiency of operation, as it inevitably would be if the railway companies had not made suitable arrangements to co-ordinate their operations, there probably would be a sudden change of public sentiment on the question of government versus private operation which would be very harmful.

It is a rather astonishing fact that many persons who should be familiar with the existing conditions do not seem to realize the chaos which would come if the railroads should suddenly be returned to private operation without definite and complete preparations being made for the future control of the distribution of freight cars, for the continuance of unified operation of terminals in many large centers, and for many other matters of that kind. We fear that these persons have not given due consideration to the vast increase in passenger and freight traffic which has been taking place in this country within recent years, while there has been only a trifling increase in railroad facilities.

All the traffic now available cannot possibly be handled with the present facilities under any system of operation, and therefore it is absolutely essential that the very best use of the existing facilities shall be made. The best use of existing facilities cannot be made without the closest co-operation between the railroad companies. An immediate revival of competitive service, either passenger or freight, such as prevailed on our railroads prior to 1917 would be immediately disastrous. Some railroads might profit from it, but the roads as whole and the country as whole would suffer.

The operating problems which will be presented by the return to private operation ought to be very carefully and fully considered at the meeting of the American Railroad Association, and definite constructive action for solving them should be decided upon. That meeting will be the most important the association ever held, and it is easily conceivable that it may largely determine the future of railroad management in this country.

Cummins Railroad Bill Reported to Senate

Provides Legislative Standard for Percentage of Return and Division of Excess Earnings

THE RAILWAY AGE EMERGENCY BULLETIN of November 6, noted that the new Cummins Bill, S. 3288, was reported to the Senate on October 23, and the changes from the bill as originally introduced were commented on in a general way. The following is a summary of the provisions of the bill.

Summary

Section 1 provides for the repeal of the federal control act at midnight on the last day of the month in which the new act becomes a law and that the President shall then relinquish control of railroad and transportation systems. All rights and remedies, whether provided for by contract or by the terms of the federal control act, are preserved for the purpose of adjusting and closing up all matters, arising out of and incident to federal control. Proceedings based on causes of action growing out of federal control may be brought in any court which would have jurisdiction if the the cause of action were against the carrier and shall be brought against the United States.

The rights and interests of the United States acquired under the provision of the federal control act authorizing expenditures for the utilization and operation of waterways are transferred to the United States Shipping Board.

Rates, fares and charges and divisions of joint rates in force at the time the repeal of the former act takes effect shall remain in force until changed by competent authority.

Indebtedness to the Government

Section 2 provides that the indebtedness of any carrier corporation to the United States for additions or betterments or for advances to pay off indebtedness properly chargeable to capital account shall, at the request of the carrier, be extended for 10 years, or less, at the option of the carrier, with interest at 6 per cent, to be evidenced, if practicable, by the first mortgage bonds of the carrier, but if this is impracticable, in such form as shall be prescribed by the President. Any other indebtedness shall be evidenced by demand notes at 6 per cent.

The President may, in his discretion, apply upon any indebtedness to the United States any sum due the carrier from the United States as is permitted to be deducted currently under any contract now or hereafter made, or where no such contract exists, as would be permitted by the terms of the standard contract relative to deductions from compensation; but no application shall be made of any sum so due to the carrier unless there shall have been paid such sums due it as shall have been necessary to enable the carrier to pay the fixed charges as defined in the contract, dividends at the regular rate paid during federal control, and such sums as may be necessary to provide the carrier with working capital in amount not less than one month's operating expenses or due on account of material and supplies not returned in kind. If the President and the carriers or any of them shall enter into agreement for funding the indebtedness to the United States for equipment, such indebtedness shall not be refundable under the foregoing provisions.

All powers invested in the President by this act, except those relating to the appointment of the transportation board, may be executed by him through such officers, agents or agencies as he may from time to hime appoint, and the power of the President under the federal control act is confirmed and extended to authorize him, through such agencies as he may determine, to adjust, settle and close in a manner not inconsistent with the provisions of the act or this act, all matters growing out of federal control.

Section 4 provides that for the purpose of ascertaining the adequacy of rates, fares and charges in producing revenues as hereinafter provided, the commission shall, as soon as practicable, divide the country into rate districts, and the railway carriers into railway rate groups and shall have power to hear and determine upon complaints of the carriers or any one interested in transportation, or upon its own motion, apart from the question of rates upon particular commodities or for particular communities, the issue of the adequacy of the rates for any one district and the carriers therein as a whole; and the adequacy or inadequacy of rates, fares and charges in producing revenues for the rate district or rate group as a whole shall not be put in issue in controversies relating only to rates, fares and charges upon particular commodities or for particular communities.

Section 5 provides that schedules of rates, etc., filed with the commission within 60 days after federal control ceases shall become effective at the end of four months, with such changes and modifications as in the meantime may be ordered by the commission, and the commission within that time shall determine whether they or any of them are to be so modified or changed in order to make them just and reasonable rates for the service to be performed.

"Until the commission renders its decision in that regard, or until the expiration of the four months' period, this act shall constitute a guaranty to each carrier with which the President has entered into a contract for compensation under the act of March 21, 1918, of an operating income for the said period proportionate to the compensation so agreed upon. With respect to those carriers of which the President is in possession or control at the time this act takes effect, but with which he has not entered into contract fixing compensation under said act of March 21, 1918, and with respect to those carriers of which federal control was reliquished prior to July 1, 1918, as provided in the act of March 21, 1918, this act shall constitute a guaranty for the said period of a proportionate railway operating income, computed in the manner prescribed in the said act of March 21, 1918, for ascertaining what is commonly known as the standard return; and, in the case of carriers which did not earn an operating income in the test period, and therefore have no standard return which can be used as a basis, the guaranty in this act provided shall cover and include the deficit in actual operating expenses, including taxes, of any such road, and such deficit shall be determined and certified in the same manner as provided with respect to the standard return.

The commission shall as soon as practicable after the expiration of the period of such guaranty certify the amount of the actual railway operating income, showing the excess or deficit as compared with the guaranty and the board, or the secretary of the treasury if the board be not then organized, is directed to draw warrants in favor of the carriers upon the treasury of the United States for the amount of any deficit shown, provided however, that if the operating income of any carrier exceeds the guaranty it shall pay the excess into the treasury.

In computing the railway operating income for the purpose of this section, the commission shall not allow as operating expenses, for maintenance for any month of the period covered by such guaranty, more than the monthly

proportion of the amount fixed by the commission as the amount applicable for such maintenance under the provisions in Section 5 of the standard contract, but the cost of fire insurance may be included in such expenses. The commission may, in its discretion, make further allowances as operating expenses in accordance with a provision in the standard contract to the extent that in its judgment will be necessary so that the amount of the guaranty shall be the substantial equivalent, proportionately for the time being, of the standard return. If the commission shall find in the case of any carrier that charges to operating expenses other than maintenance are clearly abnormal for any month, it shall have the power to require the restatement of the operating expenses for the period in question to the extent necessary to make them reasonably applicable to that month.

Rule of Rate-Making

The rule of rate-making and the provisions governing the division of earnings are contained in Section 6 as follows:

"Section 6. In dividing the country into districts and the carriers into rate-making groups the commission shall have in view the similarity of transportation and traffic conditions therein. Rates of transportation shall at all times be just and reasonable and sufficient to produce a reasonable return upon the aggregate value of the property in each rate group used or held for the service of transportation.

"It being impracticable to establish a level of uniform rates and charges within competitive areas which will sustain sundry carriers indispensable to the communities served by them, without enabling more favorably situated carriers to receive revenue from such rates, negligibly as to each service but in the aggregate substantially and unreasonably in excess of the aggregate over a fair return upon their property, unless regulated in the interest of the commerce of the United States as a whole, it is hereby provided that, subject to the exceptions and conditions of this act, no carrier subject to the provisions of this act shall be authorized to receive and retain for the transportation services rendered such proportion of the rates and charges collected by it as may yield in the aggregate more than a reasonable return upon its property investment. In changing or modifying rates, fares, charges, and classifications from time to time in the manner provided in the act to regulate commerce, as amended, and in viewing them from the standpoint of their effect in producing revenue in any rate-making group as a whole, the commission shall initiate, modify, or adjust rates, fares, charges and classifications, as nearly as may be, so that the railway carriers as a whole allocated to each district and subject to this act shall earn an aggregate annual net railway operating income equal, as nearly as may be, to 5½ per centum upon the aggregate value, as determined in accordance with the provisions hereof, of the railway property of such carriers in the district held for and used in the service of transportation: *Provided,* That in this respect the commission shall have reasonable latitude in order to adjust any particular rate, fare, or charge which may be found unreasonably high or unreasonably low. And it may, in its discretion, add to the basis above mentioned one-half of 1 per centum upon the aggregate value of said property, to make provision, in whole or in part, as the case may be, for what are commonly known as nonproductive improvements, betterments, or equpiment, which, according to the custom heretofore prevailing, have been charged to capital account, but which, to the extent that such allowance for such purpose shall be reflected in the net operating income of the several carriers, to be determined by the commission, shall not be capitalized or used in any way as a basis for increased rates, fares, or charges by those carriers whose net operating income for the year exceeds 5½ per centum upon the value of their respective properties.

"In so changing or modifying rates, fares, charges, and classifications from time to time in the manner provided in the act to regulate commerce, as amended, the commission shall take into consideration the interests of the public, the shippers, the wages of labor, the cost of maintenance and operation, including taxes, the requirements for additional capital in order to enable the carriers to adequately perform their duties to the public, and the conditions under which the same can be secured; and shall, so far as practicable, adjust rates, fares, charges, and classifications that the net operating income of the several carriers shall bear the same relation to the value of their respective properties. For the purpose aforesaid, the commission shall from time to time determine the value of the property in each district and rate-making group so held for and used in the service of transportation, and lower or advance the rates, fares, or charges for transportation to produce, as nearly as may be, the net operating income above mentioned.

"If, under the above provisions, any carrier shall receive a net railway operating income in any year of more than 6 per centum, after allowance, as aforesaid, by the commission for nonproductive improvements, upon the said value of its property, one-half of such excess between 6 and 7 per centum shall be placed in a reserve fund established and maintained by such carrier, and the remaining one-half of such excess between 6 and 7 per centum, shall within the first four months of the succeeding year, be paid to and recoverable by the board for the purpose of establishing and maintaining a general railroad contingent fund, as hereinafter described. Of any such excess above 7 per centum, one-fourth thereof shall be placed in the reserve fund to be established and maintained by the carrier and the remaining three-fourths thereof shall, within the time aforesaid, be paid to and recoverable by the board as a part of said general railroad contingent fund.

"For the purpose of paying dividends or interest on its obligations, a carrier company may draw upon its said reserve fund whenever and to the extent that its annual net railway operating income shall fall below 6 per centum of the value of its property, determined as provided in this act.

"In any year in which the said income of a carrier company which has accumulated and is maintaining a reserve fund equal to 5 per centum of the value of its property, determined as provided in this act, exceeds 6 per centum of such value, such carrier shall pay, within the first four months of the succeeding year, two-thirds of such excess to the board as a part of such general railroad contingent fund and the remaining one-third shall be retained by the carrier for such lawful use or disposition as it may determine.

"The aforesaid general railroad contingent fund and accretions thereof shall be administered by the board and invested in obligations of the United States or deposited in authorized depositaries of the United States, subject to the rules promulgated from time to time by the secretary of the treasury relating to government deposits. And the said fund and all accretions thereof shall be employed or invested or expended by the board in furtherance of the public interest in railway transportation by carriers subject to the act to regulate commerce in avoiding congestions, interruptions or hindrances to the railway service of the United States by carriers subject to the act to regulate commerce, or in furthering the public service rendered by them, either by way of purchase, lease, or rental of transportation equipment and facilities to be used by such carriers wherever the public interests may require, or by way of loans, to such carriers, upon such fair and reasonble terms and conditions, in either case, as the board may prescribe.

"The commission shall prescribe rules and regulations for the determination and recovery of the excess earnings of the respective carriers subject to this act over and above the reasonable maximum provided for herein. To that end the

commission may, in addition to the exercise of its general powers, require such security or prescribe such reasonable regulations and conditions as it may find necessary.

"The provisions of this section shall not be construed as depriving shippers of their right to reparation in case of overcharges, unlawfully excessive or discriminatory rates, or rates excessive in their relation to other comparable rates, but no shipper shall be entitled to recover upon the sole ground that particular rates may reflect a proportion of excess earnings produced and to be recovered in the public interest under the provisions of this act: *Provided, however,* That in the year 1925, and in every fifth year thereafter the commission shall determine what, under the conditions then existing, constitutes a fair return upon the value of such railway property, and it may increase or decrease the 5½ per centum basis herein prescribed, or the basis for the determination of excess income."

Transportation Board

Section 7 provides for the creation of a transportation board of five members appointed by the President, with the advice and consent of the Senate, the chairman to be selected by the members of the board to serve as chairman during his term of office. Members of the board are to receive a salary of $12,000 per year. Not more than three members shall be appointed from the same political party and no member shall during his term of office hold any office or employment under any common carrier subject to the act to regulate commerce, or own securities thereof or be in any manner pecuniarily interested therein.

Section 9 declares it to be the policy of the United States that the railways of continental United States shall as soon as may be practicable be divided in ownership and for operation into not less than 20 nor more than 35 separate and distinct systems, each to be owned and operated by a distinct corporation organized or reorganized under this act. In the division into systems competition shall be preserved as fully as possible and wherever practicable the existing routes and channels of trade and commerce shall be maintained. The several systems shall be so arranged that the cost of transportation as between competitive systems and as related to the value of the properties shall be the same, as far as practicable, so that the systems can employ uniform rates in the movement of competitive traffic and under efficient management earn substantially the same rate of return upon the value of the railway properties involved in the comparison.

Section 10. Immediately after its organization the board shall prepare and adopt a plan for the consolidation, and when it has agreed upon a tentative plan it shall give the same due publicity and hear persons who may file or present objections. After the hearings are at an end the board shall adopt and publish a plan for such consolidations, provided that it may at any time thereafter upon its own motion or upon application reopen the subject for such changes or modifications as in its judgment will promote the public welfare. The voluntary consolidation hereinafter provided for shall be in harmony with the plan and the compulsory consolidations which are to ensue after the period hereinafter mentioned shall be in completion thereof. The general plan of consolidation into systems shall be submitted to the Interstate Commerce Commission and be subject to its approval. Street and interurban railways whose chief business is the transportation of passengers, plant trackage facilities owned by private industries, and terminal and other railways owned or controlled by industrial corporations and principally used for the transportation of their products shall not be included in the plan of enforced consolidation, but terminals, belt lines, tap lines and others short lines or lines owned and operated by distinct corporations and so situated or in such financial condition as to be practically incapable of consolidation may be excluded if in the judgment of the board it is for the public interest.

Among the duties of the board are the following:

"The board shall carefully and continuously make inquiry respecting the transportation needs and facilities of the whole country, and of each transportation situation as it may arise, the adequacy and efficiency of such transportation facilities and service, and when and how they should be enlarged or improved.

"It shall inquire into the state of the credit of all such common carriers subject to the said act to regulate commerce, as amended, and inform itself of the relation between the operating revenues, the operating income and the net operating income of such carriers.

"It shall inquire as to the new capital which the public interest may require the carriers or any carrier to secure in order that adequate and efficient transportation service and facilities may at all times be provided, and into the conditions under which said new capital may be secured. From time to time it shall certify to the commission its findings in these respects, and the commission shall accept such certificate or certificates as prima facie evidence in any hearing upon the matters to which such certificate or certificates respectively relate.

"It shall have the authority to lay before the commission, by petition or application, any matter within the jurisdiction of the said commission for action thereon, or make representations in the public interest and show such cause as it may, in the performance of its duties imposed by this act, deem proper and appropriate.

"It shall from time to time make reports to Congress, accompanied by recommendations of such measures and policies as in its opinion will promote and protect the interest of the public in respect of the efficiency of the transportation service and the adequacy of transportation facilities."

The following functions and powers now exercised by the commission are hereby transferred to the board:

(a) The functions and powers created and conferred by the act commonly known as the "car service act."

(b) The functions and powers created and conferred in the last paragraph of section 1 of the "act to regulate commerce," relating to the construction, maintenance and operation of switch connections and side tracks.

(c) The functions and powers created and conferred by the act of August 24, 1912, with respect to the matters contained in paragraph (a) in the publication of the "act to regulate commerce," as amended.

(d) The functions and powers created and conferred in what are commonly known as the "safety appliance acts."

(e) The functions and powers created and conferred by the act requiring carriers to make full reports of all accidents to the Interstate Commerce Commission and authorizing investigations thereof by the commission.

(f) The functions and powers created and conferred by "an act to promote the security of travel upon railroads engaged in interstate commerce, and to encourage the saving of life."

(g) The functions and powers created and conferred by the hours of service act.

(h) The functions and powers created and conferred by "An act to promote the safety of employees on railroads," approved May 30, 1908.

(i) The functions and powers created and conferred by "An act to promote the safe transportation in interstate commerce of explosives and other dangerous articles, and to provide penalties for its violation," approved Mar. 4, '09.

(j) The functions and powers created and conferred by the act compelling common carriers to equip their locomotives with safe and suitable boilers and appurtenances.

(k) The functions and powers created and conferred by

"joint resolution directing the Interstate Commerce Commission to investigate and report on block-signal systems and appliances for the automatic control of railway trains." approved June 30, 1906.

All bureaus, divisions, or departments heretofore organized for the discharge of the foregoing functions and powers, and the employees, books, papers, and records pertaining to such functions and powers, are likewise transferred, and shall hereafter be under the exclusive jurisdiction of the board.

To Encourage Water Transportation

It is declared to be the policy of Congress "to promote, encourage and develop water transportation, service and facilities in connection with the commerce of the United States, and to preserve in full vigor both rail and water transportation.

"With that end in view the board shall inquire into water transportation facilities both for internal and external commerce, and especially into the relations between carriers by land and carriers by water, and the best method of coordinating the two kinds of transportation, when the carriage is partly by land and partly by water; shall investigate the appropriate types of boats suitable for different classes of waterways, also the subject of water terminals both for water traffic and for through traffic by water and rail, including the necessary docks, warehouses, apparatus, equipment, and appliances in connection therewith and railroad spurs and switches connecting with such terminals with a view to devising the types most appropriate for different locations, and for the more expeditious and economical transfer or interchange of passengers or property between carriers by water and carriers by rail; shall advise with communities, cities and towns regarding the appropriate location of such terminals, and cooperate with them in the preparation of plans for suitable terminal facilities; shall investigate the existing status of water transportation upon the different waterways of the country with a view to determining whether such waterways are being utilized to the extent of their capacity, to what extent they are meeting the demands of traffic, and whether the water carriers utilizing such waterways are interchanging traffic with the railroads; shall cooperate with communities, cities and towns and established lines of water transportation in obtaining joint and proportional through rates on traffic carried partly by water and partly by rail; and shall investigate any other matter that may tend to promote and encourage water transportation.

"It shall also be the province and duty of the board to compile, publish, and supply from time to time such useful statistics, data, and information concerning transportation by water as may be of value to the commercial interest of the country, and make such annual recommendations to Congress for the regulation and improvement of transportation by water as it deems advisable."

Section II provides that the board shall also have the following powers:

(a) If it finds that a carrier can not, by reason of the congestion of its lines, properly handle its traffic it shall have power to require the distribution of such obstructed traffic over other lines upon such terms as it may find under the circumstances to be just and reasonable. If any traffic shall be diverted from a carrier which it is ready and able to handle properly, then such carrier shall be entitled to recover from the carrier to which such traffic shall be thus diverted, the revenue accruing in excess of the actual out-of-pocket cost of transporting the same; and if such revenue shall not be awarded by the board and duly and promptly paid, then such carrier shall be entitled to recover by suit or action against the carrier or carriers liable therefor.

With respect to traffic not routed by the shipper, to direct the route which such traffic shall take after it arrives at the terminus of one carrier and is to be delivered to another whenever practicable and a fair distribution of traffic and the public interest may require.

(b) If it finds it to be in the public interest and to be practicable, without impairing the ability or substantial convenience of such a carrier owning or entitled to the enjoyment of terminal or other facilities to handle its own business, it shall have power to require the use of any such terminal or other facilities including main-line track or tracks for a reasonable distance outside of such terminals of any carrier by another or other carriers on such terms and for such compensation as the carriers may agree upon, or, in the event of their failure to agree, as the board may fix as reasonable and just for the permitted use, to be ascertained on the principle controlling compensation in condemnation proceedings (which compensation shall be paid or adequately secured before the enjoyment of the use is entered on). If the carrier whose terminal or other facilities are thus to be used by others, is not satisfied with such requirement or with the terms fixed for such use, or if the amount of compensation is not duly and promptly paid, the carrier whose terminal or other facilities have thus been thrown open to use, shall be entitled to recover the damages growing out of such requirement and just compensation for the privileges awarded.

Consolidations

Section 12 provides that it shall be lawful for two or more railway corporations, common carriers and engaged in interstate commerce, to consolidate their properties or any part thereof into one corpoation for the ownership, management and operation of the properties under the following conditions:

The proposed consolidation must be in harmony with and in furtherance of the ultimate complete consolidation and must be recommended by the board and approved by the commission.

The corporation which is to become the owner of the consolidated properties must be either organized under the provisions of this act or must be reincorporated and become a federal railway corporation pursuant to the provisions of the act.

The capitalization shall not exceed the value of the consolidated properties as determined by the commission, including a reasonable working capital. The value shall be ascertained by the commission in accordance with the valuation act and it shall be its duty to proceed immediately to the ascertaining of such values for the properties involved in the proposed consolidation upon the filing of the application.

When a railway corporation proposes a consolidation it shall present its application to the commission which shall at once refer it to the board for a report and recommendation. The board having made its report, the commission shall notify the board, the authorities of the states in which any part of the properties is situated, and the railway corporations involved, of the time and place for public hearing. If after such hearing the commission shall find that the public interest will be promoted by the consolidation and that the conditions of this section have been or will be fulfilled, it shall enter an order authorizing the railway corporation so engaged in interstate commerce to acquire the properties to be consolidated and they may then be acquired in any lawful manner that will result in such consolidation and in single ownership and operation, the provisions of any state law to the contrary notwithstanding.

Section 13 provides that seven years after the passage of the act the commission and the board shall proceed to the completion of the plan of consolidation and if in any proposed system complete consolidation has not occurred it shall be the duty of the board to secure the incorporation of a

railway company under the provisions of the act, either by initiating its organization or by co-operation with other corporations in fully effecting the consolidation and reorganization. It shall have the power, subject to the approval of the commission, to make contracts with such existing corporations as will co-operate, providing for a guaranteed operating income pending the reorganization, provided the guaranty shall not exceed that authorized in the federal control act, with due allowances for subsequent additions for betterments and extensions. When the reorganization and consolidation provided for is complete the board shall be reduced to three members by omitting to appoint successors to the two members whose terms of office first expire.

Section 14 provides that "any railway corporation which now owns and operates any line of railway engaged in the transportation of interstate or foreign commerce, having been incorporated under the laws of any state or territory, is hereby authorized and empowered to reincorporate itself and become a corporation under the laws of the United States in the manner and subject to the terms and conditions herein provided."

Sections 15, 16, 17, 18, 19 and 20, prescribe the method of reincorporation under the laws of the United States and for the organization, powers and duties of such corporations. The board of directors of any such reincorporated company shall consist of not less than 11 nor more than 15 persons, and there shall at all times be two directors selected from the classified employees of the company and also two directors appointed by the transportation board. Upon all committees of the board of directors upon which power to act in any manner relating to the affairs of the corporation is conferred, there shall be one director selected from the classified employees and one appointed by the board. Each railway carrier corporation subject to the act to regulate commerce not reincorporated or organized under the new act shall after June 30, 1920, where practicable and consistent with the laws of the state creating such corporation, make provision for at least one director selected from the classified employees of not less than 10 years' service on the road, if available, or if not, from those senior in the service of the road, and at least one person appointed by the transportation board where the board of directors consists of less than 11 directors, and two such representatives of the public and two from the senior classified employees where such board consists of 11 or more.

Section 21 provides that five or more citizens of the United States, with the recommendation of the board, may incorporate themselves under the act for the ownership, maintenance and operation of one of the railway systems or for the construction, ownership, maintenance and operation of new lines or systems into which the railways are to be divided by the board. This capital stock shall be fixed by the commission and new stock shall be issued at par and only for money or property of equivalent value actually received. The corporation shall engage in no other business than that of constructing, owning, maintaining, operating, bettering or extending the system of railways, nor shall it become the owner of any property save that which is reasonably necessary for the performance of its duties and obligations as a common carrier. The new system companies incorporated under the act shall have as members of their boards of directors at least two selected from the classified employees, and two appointed by the board, and one director selected from the employees and one appointed by the board shall have place upon each committee.

Section 23 provides that the property of railway corporations organized or reincorporated under the act shall not be exempt by virtue of the act from taxation by the several states or other lawfully constituted taxing authorities, but all discrimination in the taxation of such property is prohibited. Nothing in the act is to be construed to affect the existing laws or powers of the states in relation to taxation or lawful police powers, including the power to make and regulate intrastate rates of transportation except as provided in the act.

Regulation of Securities

Section 24 provides for the regulation of security issues. From and after 90 days after approval of the act it shall be unlawful for any railway or water common carrier subject to the act to issue securities except for some lawful object within its corporate purposes and compatible with the public interest and with the approval of the transportation board, which shall have power to grant or deny the application as made or in part or with such modifications and upon such terms and conditions as it may deem necessary or appropriate. It may also make supplemental orders modifying the provisions of any previous order. The board is required to give notice of applications for authority to issue securities to the governor of each state in which the equipment of the carrier operates and the state authorities are given the right to make such representations as they deem just and proper for conserving the rights and interests of their people and the states involved.

Nothing in the act is to be construed to imply any guaranty or obligations as to such securities. The provisions relating to the regulation of security issues do not apply to notes maturing in not more than two years and aggregating not more than 5 per cent on the par value of the securities of the carrier then outsanding. The board shall require reports from the carriers issuing securities, showing the disposition of the securities and the application of the proceeds. After two years from the passage of the act it shall be unlawful for any person to hold the position of officer or director of more than one carrier subject to the act, except with the approval of the commission upon showing that neither public nor private interest will be adversely affected.

Adjudication of Labor Disputes

Section 25 provides for the settling of disputes and controversies, not adjusted under existing provisions of law or otherwise, between carriers and their employees, through a committee of wages and working conditions and three regional boards of adjustment. The committee of wages and working conditions is to consist of four representatives of labor and four representatives of the carriers, appointed by the board for terms of four years, on nominations of the various railway crafts and of the carriers. The committee of wages and working conditions shall have jurisdiction over controversies respecting wages and working conditions and to hear and determine cases on appeal from the regional boards. It shall be its duty to consider all complaints respecting wages and working conditions submitted by representatives of employees or of the carriers and to make decisions by majority vote as promptly as practicable, which shall be certified to the board and take effect when approved by the board. If it shall be evenly divided the matter in dispute shall be referred to the board, whose decision shall be final. The board shall certify to the commission all decisions of the committee of wages and working conditions when approved by said board or decisions by the board itself in cases referred to it, and its certificate shall be conclusive evidence before the commission of the matters so determined and certified.

Section 26 provides that wages and salaries, hours of labor and other conditions of employment shall be fair, just and reasonable. In determining the fairness, justness and reasonableness of wages and salaries, the committee and the board shall take into consideration, among other relevant circumstances, wages paid for similar work in other indus-

tries, the relation between wages and cost of living, hazards of the employment, training and skill required, degree of responsibility and the character and regularity of the employment.

Section 27 provides for regional boards of adjustment, located at such places, and having jurisdiction over such territory, as the transportation board may determine. They shall consist of six members each, three representing labor and three representing carriers, and shall be empowered to hear and determine complaints, grievances, matters and disputes, including questions of discipline and controversies arising in ordinary railway operations, other than controversies relating to wages and working conditions, where the officers of a railroad corporation and the accredited representatives of an employee or group of employees fail or are unable to reach a satisfactory settlement, it being the intention to encourage the voluntary settlement of disputes between carriers and their employees.

All decisions other than those relating to personal discipline shall be filed with the committee of wages and working conditions, which for the purpose of securing uniformity of practice shall have power within 30 days to review and to amend or disapprove the same. In the event a regional board is evenly divided either party to the controversy may have the proceedings transferred to the committee for its decision. The committee and the boards are authorized to subdivide into sections for the hearing of cases and to hold hearings at any point within the United States. Members of the committee are to receive a salary of $7,500 and of the boards a salary of $5,000 per annum. It is provided that nothing in the act shall be held to repeal the Adamson law of September 3, 1916, nor to authorize the committee or the boards to make any rule, regulation or decision contrary to any law of the United States.

Section 29 provides that any carrier or any officer thereof knowingly refusing to obey the decision of the committee after it has been approved by the board or of the board in cases referred to it, shall be guilty of a misdemeanor and open conviction shall be punishable by a fine not exceeding $500 or by imprisonment not exceeding six months or by both.

Anti-Strike Provisions

The anti-strike provisions are as follows:

"Section 30. It shall be unlawful for two or more persons, being officers, directors, managers, agents, attorneys, or employees of any carrier or carriers subject to the act to regulate commerce, as amended, for the purpose of maintaining, adjusting, or settling any dispute, demand, or controversy which, under the provisions of this act, can be submitted for decision to the committee of wages and working conditions or to a regional board of adjustment, to enter into any combination or agreement with the intent substantially to hinder, restrain, or prevent the operation of trains or other facilities of transportation for the movement of commodities or persons in interstate commerce, or in pursuance of any such combination or agreement and with like purpose substantially to hinder, restrain, or prevent the operation of trains or other facilities of transportation for the movement of commodities or persons in interstate commerce; and, upon conviction, any such persons shall be punished by a fine not exceeding $500 or by imprisonment not exceeding six months, or by both such fine and imprisonment: *Provided,* That nothing herein shall be taken to deny to any individual the right to quit his employment for any reason.

"Section 31. Whoever knowingly and with like intent shall aid, abet, counsel, command, induce, or procure the commission or performance of any act made unlawful in the last preceding section hereof shall be held guilty of a misdemeanor and upon conviction shall be punished by a fine not exceeding $500 or by imprisonment not exceeding six months, or by both such fine and imprisonment."

Section 32 provides a means whereby companies may be dissolved or divested of their corporate powers and privileges. Corporations organized under the act may be dissolved by the stockholders if upon application the commission shall certify that the company has fully discharged its duties and obligations as a common carrier and that its continuance is no longer necessary or convenient in the public interest for the transportation of persons and property, and that its obligations have been duly provided for.

Section 33 increases the compensation of each member of the Interstate Commerce Commission to $12,000 per annum.

Car Service

Section 34 contains the provisions relating to car service as an amendment to the amendment of Section 1 of the act to regulate commerce, approved May 29, 1917, which is made to read as follows:

"The term 'car service' in this act shall include the use, control, supply, movement, distribution, exchange and interchange, and return of locomotives, cars, and other vehicles used in the transportation of property by or to any carrier subject to this act, or by or to any shipper making or offering any shipment or shipments subject to this act.

"It shall be the duty of every carrier by railroad subject to this act to furnish safe and adequate car service and to establish, observe, and enforce just and reasonable rules, regulations, and practices with respect to car service; and every unjust and unreasonable rule, regulation, and practice with respect to car service is prohibited and declared to be unlawful.

"The board is hereby authorized by general or special orders to require all carriers by railroad subject to this act, or any of them, to file with it from time to time their rules and regulations with respect to car service, and the board may, in its discretion, direct that the said rules and regulations shall be incorporated in their schedules showing rates, fares, and charges for transportation, and be subject to any or all of the provisions of this act relating thereto.

"The board may, after hearing, on a complaint, or upon its own initiative without complaint, establish reasonable rules, regulations, and practices with respect to car service, including the compensation to be paid for the use of any locomotive, car, or other vehicle not owned by the carrier using it, and the penalties or other sanctions for non-observance of such rules.

"Whenever the board shall be of opinion that shortage of equipment, congestion of traffic, or other emergency requiring immediate action exists in any section of the country or upon any railroad the board shall have, and it is hereby given, authority, either upon complaint or upon its own initiative without complaint, at once, if it so orders, without answer or other formal pleading by the interested carrier or carriers, and with or without notice, hearing, or the making or filing of a report, according as the board may determine, to suspend the operation of any or all rules, regulations, or practices then established with respect to car service for such time as may be determined by the board, and also authority to make such just and reasonable directions with respect to car service and the interchange and use of locomotives, cars, and other vehicles, without regard to ownership, during such emergency as in its opinion will best promote the service in the interest of the public and the commerce of the people, and also authority to give directions for preference or priority in transportation, embargoes, or movement of traffic under permits, at such times and for such periods as it may determine, and to modify, change, suspend, or annul them. In time of war or threatened war the President may certify to the board

that it is essential to the national defense and security that certain traffic shall have preference or priority in transportation, and the board shall, under the power herein conferred, direct that such preference or priority be afforded.

"The directions of the board as to car service may be made through and by such agents or agencies as the board shall designate and appoint for that purpose. It shall be the duty of all carriers by railroad subject to this act, and of their officers, agents, and employees, to obey strictly and conform promptly to such orders or directions of the board, and in case of failure or refusal on the part of any carrier, receiver, or trustee to comply with any such order or direction such carrier, receiver, or trustee shall be liable to a penalty of not less than $100 nor more than $500 for each such offense and $50 for each and every day of the continuance of such offense, which shall accrue to the United States and may be recovered in a civil action brought by the United States.

"It shall further be the duty of every carrier by railroad, subject to this act, serving coal mines located upon its line or lines to make just, reasonable and nondiscriminatory distribution among such mines of all cars available for the transportation of coal during any period (hereinafter called a car shortage period) when the carrier's supply of cars for such service does not equal the requirements of such mines. To that end, every such carrier shall make and establish rules and regulations providing for the rating of such mines and, during car-shortage periods, the distribution of cars among them in proportion to such ratings. The rules and regulations so established shall provide, among other things, that each and every car furnished or used for the transportation of coal during a car-shortage period shall be counted against the proportionate distributive share of the mine receiving or using it, and that no cars shall be furnished to or used by any mine for the transportation of coal during a car-shortage period in excess of the proportionate distributive share of such mine, regardless, in either case, of who the consigner or consignors or the consignee or consignees or the owner or owners of the coal loaded or to be loaded in such cars may be, or of the purpose for which such coal may be used or intended, or of the ownership of such car or cars. It shall be unlawful for any such carrier, by any rule, regulation, or practice, either directly or indirectly, to fail or refuse to count against the proportionate distributive share of any mine any car or cars furnished to or used by such mine for the transportaition of coal during a car-shortage period or to furnish to any mine for the transportation of coal during a car-shortage period any car or cars in excess of the proportionate distributive share of such mine, regardless, in either case, of who the consignor or consgnors or the consignee or consignees or the owner or owners of the coal loaded or to be loaded in such cars may be, or of the purpose for which such coal may be used or intended, or of the ownership of the car or cars. The proportionate distribution required by this paragraph shall be accomplished during successive 14-day periods which may be designated from time to time by the carrier: *Provided,* That in the event the board finds that it is necessary in order to furnish transportation companies with coal to be used in the movement of trains, cars to be loaded with coal to be used for fuel in the movement of trains may be omitted in the said count to the extent, and only to the extent, prescribed by the order of the board. In case of failure or refusal on the part of any carrier, receiver, or trustee to count any car or cars against the proportionate distributive share of any mine, or the furnishing for loading by any carrier, receiver, or trustee of any cars in excess of the proportionate distributive share of any mine, as herein provided, such carrier, receiver, or trustee shall be liable to a penalty of not less than $100 nor more than $500 for each offense (and each failure or refusal to count any one car or each furnishing of any one car shall be deemed a separate offense), which penalty shall accrue to the United States and may be recovered in a civil action brought by the United States. The provisions of this paragraph shall not be construed to limit or restrict the power or authority of the board to require the establishment, observance, enforcement, and filing of reasonable rules, regulations, and practices with respect to car service not in conflict herewith.

Certificate of Public Interest

"From and after January 1, 1920, no carrier by railroad subject to this act shall undertake the extension of its line of railroad, or the construction of a new line of railroad, or shall acquire or operate any line of railroad, or extension thereof, or shall engage in transportation under this act over or by means of such line of railroad, or extension thereof, unless and until there shall first have been obtained from the board a certificate that the present or future public interest requires or will require the construction, or operation, or construction and operation, of such line of railroad, or extension thereof, and no carrier by railroad subject to this act shall abandon any portion or all of its line of railroad, or the operation thereof, unless and until there shall first have been obtained from the board a certificate that the present or future public interest permits such abandonment.

"The application for and issuance of any such certificate shall be under such rules and regulations as to hearings and other matters as the board may from time to time prescribe, and the provisions of this act shall apply to all such proceedings. Upon receipt of such applications by the board it shall file or cause to be filed copies thereof with the governor of each state in which such line of railroad, or extension thereof, is proposed to be constructed or operated, or any portion or all of such line of railroad, or the operation thereof, is proposed to be abandoned, with the right to be heard as hereinafter provided with respect to the hearing of complaints or the issuance of securities.

"The board shall have power to issue such certificate as prayed for or to refuse to issue it, or to issue it for a portion or portions of a line of railroad, or extension thereof, described in the application, or for the partial exercise only of such right or privilege, and may attach to the issuance of said certificate such terms and conditions as in its judgment the public interest may require. From and after issuance of such certificate, and not before, said carrier by railroad may comply with the terms and conditions of such certificate or attach to the issuance thereof and proceed with the construction, operation, or abandonment covered thereby. Any construction, operation, or abandonment contrary to the foregoing provisions of this section may be enjoined by any court of competent jurisdiction at the suit of the United States, the board, any commission or regulating body of the state or states affected, or any party in interest, and any carrier knowingly violating any of the foreging provisions shall be guilty of a misdemeanor and upon conviction shall be punished by a fine of not more than $10,000 or imprisonment for not more than three years, or both such fine and imprisonment, in the discretion of the court.

"The board may, after hearing, in a proceeding upon complaint or upon its own initiative without complaint, authorize or require by order any carrier by railroad subject to this act, party to such proceeding, to provide itself with safe and adequate facilities for performing as a common carrier its car service as that term is used in this act, and to extend its line or lines: *Provided,* That the board shall find that such provision of facilities or extension is reasonably necessary in the public interest and will not impair the ability of the carrier to perform its duty to the public; and, with respect to extensions, that the carrier has the necessary funds or can obtain the same at a reasonable rate of interest: *Provided further,* That the authority of the board

conferred by this section shall not extend to the construction or abandonment of side tracks, spurs, industrial, team or switching tracks, street car and electric interurban lines located or to be located wholly within one state."

Section 35 applies the provisions of the act prohibiting rebating to the transmission of intelligence by wire or wireless.

Section 36 amends the second paragraph of section 3 of the act to regulate commerce to provide that all carriers subject to the provisions of the act shall, according to their respective powers, afford all reasonable, proper and equal facilities for the interchange of traffic between their respective lines and for the receiving, forwarding and delivering of passengers to and from their several lines and those connecting therewith and shall not discriminate in their rates, fares and charges between such connecting lines.

Section 37 amends the long and short haul clause of the commerce act, authorizing the commission to permit carriers to charge less for longer than for shorter distances, but the commission shall not permit the establishment of any charge to or from the more distant point that is not fairly compensatory for the service performed, and if a circuitous rail line or route is because of circuity granted authority to meet the charges of a more direct line or route to or from competitive points and to maintain higher charges to and from intermediate points on its line, the authority shall not include intermediate points as to which the haul of the petitioning line or route is not longer than that of the direct line or route between the competitive points; and no such authorization shall be granted on account of merely potential water competition not actually in existence.

Section 38 amends the anti-pooling section of the commerce act by inserting the words "except upon specific approval by order of the commission as in this section provided." The commission is given authority to authorize divisions of traffic or earnings between carriers under prescribed rules and regulations whenever it shall be of the opinion that such division of traffic or earnings will be in the interest of better service to the public, economy in operation, or otherwise of advantage to the convenience of commerce and the people and will tend to equalize earnings between carriers and will not unduly restrain competition.

Section 39 adds to Section 6 of the commerce act a provision authorizing the commission to make suitable rules and regulations for the simplification of schedules of rates, fares, charges and classifications and to permit in such rules and regulations the filing of an amendment of, or change in, any rate, fare, charge or classification without filing complete schedules covering rates not changed, if in its judgment the public will be better informed by so doing.

Section 40 authorizes the transportation board to establish physical connection between the lines of the rail carrier and the dock at which interchange of passengers or property is to be made, by direction to either to rail or the water carrier or to both.

Section 41 extends the authority of the commission to prescribe rates by substituting for the words "maximum joint rates" and "maximum proportional rates" the words "joint rates or maximum or minimum or maximum and minimum joint rates" and "proportional rates or maximum or minimum or maximum and minimum proportional rates."

Section 42 amends Section 7 of the commerce act to prohibit common carriers from entering into any combination, contract or agreement to prevent by change of time schedule carriage in different cars or by other means or divisions the carriage of freights from being continuous from the point of origin to the place of destination; and no break of bulk, stoppage or interruption made by such carrier shall prevent the carriage of freights from being and being treated as one continuous carriage from the place of origin to the place of destination unless made in good faith for some necessary purpose and without intent to avoid or necessarily interrupt continuous carriage.

State Rates

Section 43 provides for a method of co-operation between the federal and state commissions in all proceedings by amending Section 13 of the commerce act by adding at the end thereof the following:

"Whenever in any investigation under the provisions of this act there shall be brought in issue any rate, fare, charge, classification, regulation, or practice made or imposed by authority of any state, the commission, before proceeding to hear and dispose of such issue, shall cause such state or states to be notified of the proceeding. The commission shall confer with authorities of any state having regulatory jurisdiction over the class of persons and corporations subject to this act with respect to the relationship between rates, fares, charges, classifications, regulations, or practices of carriers subject to the jurisdiction of such state bodies and of the commission; and to that end is authorized and empowered, under rules to be prescribed by it, and which may be modified from time to time, to hold joint hearings with any such state regulating bodies on any matters wherein the commission is empowered to act and where the rate-making authority of a state is or may be affected by the action taken by the commission. The commission is also authorized to avail itself of the co-operation, services, records and facilities of such state authorities in the enforcement of any provision of this act.

"The commission shall, after full hearing, make such findings and orders as will in its judgment remove any undue or unreasonable advantage, preference, or prejudice as between persons or localities in state and interstate or foreign commerce, or any undue, unreasonable, or unjust discrimination against interstate or foreign commerce, which is hereby forbidden and declared to be unlawful, and such findings or orders shall be observed while in effect by the carriers parties to such proceeding affected thereby, and shall make the rates, fares, and charges, or the minimum and maximum of such rates, fares, and charges, and any classification, regulation, or practice which, in its judgment, will remove such advantage, preference or prejudice.

"Nothing in this act shall be construed to amend, repeal, impair, or affect the existing laws or powers of the states or other local authorities in relation to taxation or the lawful police powers of the several states, including the power to make and regulate intrastate rates, except as in this act otherwise provided. Any carrier shall have the right to make complaint to the commission respecting any such intrastate rate, fare, charge, classification, regulation or practice."

Section 44 authorizes the commission, whenever it shall be of opinion that any rate, etc., is or will be unlawful, to determine and prescribe what will be the just and reasonable individual or joint rate, fare or charge or rates, fares, or charges to be thereafter observed in such case, or the maximum or minimum or maximum and minimum to be charged, and what individual or joint classification, regulation or practice is or will be just, fair and reasonable to be thereafter followed, and to make an order for the future. Except as otherwise provided, orders of the commission other than those for the payment of money shall take effect within such reasonable time, not less than 30 days, and shall continue in force until its further order or for a specific period of time.

The section also gives the commission complete jurisdiction over divisions of joint rates between carriers, providing that the commission shall inform itself and take into consideration the efficiency with which the carriers are operated,

the amount of revenue required to pay operating expenses, taxes and a fair return, the importance of the carrier to the public, whether the participating carrier is an originating, intermediate or delivering line, and any other fact or circumstance which would ordinarily entitle one carrier to a greater or less proportion of the joint rate than another.

In establishing through routes the commission shall not, except as provided in Section 3, require any carrier without its consent to embrace in such route substantially less than the entire length of its railroad and of an intermediate railroad operated in conjunction and under common management or control therewith which lies between the termini of such proposed through routes unless such inclusion of lines would make the through route unreasonably long as compared with another practicable through route which could otherwise be established. It is provided, however, that in time of shortage of equipment, congestion of traffic, or other emergency, it may establish temporarily such through routes as in its opinion are necessary or desirable in the public interest. This section also amends the provisions of the present law as to suspensions, which are limited to 120 days. If the hearing cannot be concluded within this period the commission may extend the time of suspension for a further period not exceeding 30 days and if the proceeding has not then been concluded the proposed rate shall go into effect.

Whenever property shall have been diverted or delivered by one carrier to another contrary to the routing instructions in the bill of lading, any carrier thus deprived of its right to participate in the haul shall be entitled to recover from the carrier or carriers to which such traffic shall be thus diverted the revenue accruing on such diverted traffic.

Section 45 requires ocean-going common carriers engaged in foreign commerce or in coastwise or in coast-to-coast commerce, whose ships are registered under the laws of the United States, to file with the transportation board schedules showing the routes over which the boats ply, the sailing dates and the rates, fares, and charges for transportation to and from the various ports, stating the period during which such rates are to be in effect. The board shall cause such information to be published for the information of shippers and furnish such publication to rail carriers in such quantities that they may supply them to their agents in each shipping community sufficiently important to be specified by the board for that purpose. The absorption of the necessary reasonable cost for the transfer of shipments from rail lines to boats in the transportation charge of the rail carrier is authorized under such rules and regulations as the board may prescribe and under regulations prescribed by the board, rail carriers are required to issue through bills of lading.

Section 46 provides a penalty of $5,000 for each offense for violations of the provisions of Sections 3, 13 or 15.

Section 47 amends the fifth paragraph of Section 20 of the commerce act to provide that the commission shall have access to all accounts, records and memoranda, including documents, papers and correspondence kept or required to be kept by carriers subject to the act.

Section 48 provides that Sections 20, 24, 25, 26, 27, and 28 shall not apply to street, suburban or interurban electric railways operated chiefly for the transportation of passengers and not a part or parts of a general system of transportation conducted and operated in the ordinary way.

The University of London proposes to grant degrees in commerce. Under this scheme it is proposed to grant the degree of bachelor of commerce to candidates who pass the necessary examinations after a three years' course of study. Those who so desire may later proceed to the degree of master of commerce, after a minimum of two years' practical experience in the particular trade or industry taken up.

Provision for Funding Equipment Ordered by Government

A BILL WHICH WOULD PERMIT the United States Railroad Administration to accept stock in the proposed national equipment corporation for funding the cost of locomotives and cars ordered for the railroads last year by the government, in accordance with the plan worked out for the Association of Railway Executives by a committee of bankers, has been introduced in the Senate by Chairman Cummins, of the Committee on Interstate Commerce, and in the House by Chairman Esch, of the Committee on Interstate and Foreign Commerce. The bill provides that in order to make provision for the reimbursement of the United States for the sums advanced to provide motive power, cars and other equipment ordered by the President for the carriers, the President may, upon such terms as he shall deem advisable, receive in reimbursement cash or obligations of any carrier, or part cash and part such obligations, or, in his discretion, he may accept for such motive power, cars or other equipment cash or the shares of stock or obligations, secured or unsecured, of any corporation not a carrier, organized for the purpose of owning equipment or equipment obligations, or part cash and part such shares of stock and obligations, and he may transfer to such corporation any obligations of carriers received on account of motive power, cars or other equipment, and he may execute any instruments necessary and proper to carry out the intent of the provision of the federal control act which authorized the President to order equipment, to the end that title to the equipment ordered for the carriers may rest in them or their trustees or nominees.

The President is also authorized to dispose in the manner and for the consideration aforesaid of the equipment provided by him in accordance with any other provisions of the section of the law referred to, and of any obligations of carriers that may be received in reimbursement of the cost thereof. It is also provided that any contract for the sale of the equipment may provide that title thereto, notwithstanding delivery of possession, shall not vest in the carrier until the purchase price, which may be payable in instalments during any period not exceeding 15 years, shall be fully paid and the conditions of purchase fully performed.

The plan, which has now been practically agreed upon, provides for the financing in a single operation of all or a large part of the cars and locomotives purchased by the government, the total cost of which is estimated at approximately $400,000,000. The bankers' committee proposed to sell $280,000,000 six per cent 15-year equipment trust certificates to the public, while the remaining $120,000,000 worth of equipment and a reserve fund of $28,000,000 would be constituted by a stock issue of $148,000,000, which, it was suggested, should be subscribed for by the Railroad Administration. The corporation would take title to the equipment and the various companies accepting it would obligate themselves to the equipment corporation to purchase it in 15 annual installments with interest at 6 per cent.

The bill has been passed and has been approved by the President.

BRITISH COAL PRODUCTION.—During the four weeks which ended on July 19th last, the total output of coal in the United Kingdom aggregated 18,120,700 tons, while the number of persons emplayed was 1,146,700.

THE CITY OF WINNEPEG, MANITOBA, to build its recently completed aqueduct, constructed its own standard gage railway and a telegraph line. The road is 110 miles long and its locomotives and 115 cars are valued at $1,439,522.—*Fire and Water Engineering.*

Railroad Labor Questions Coming to a Head

WASHINGTON, D. C.

THE STEEL AND COAL STRIKES having materialized, the question whether they are to be followed by a strike or strikes of railroad employees has naturally aroused much speculation, in view of the various threats that have been uttered by railroad labor leaders in connection with their demands for increased wages, as well as in connection with their protests against proposed anti-strike legislation in Congress, and for a time there was some talk of a general strike in which the railroad employees would participate. It has become apparent, however, that the railroad labor organizations are mainly engaged in looking out for their own interests and that the working arrangement between the train service brotherhoods and the American Federation of Labor is not so close as to induce them to depart from their traditional policy against sympathetic strikes, and while the demands of the railroad organizations include the possibilities of a crisis, they are not regarded so seriously as they were before November 1.

It is understood that Grand Chief Stone, of the Engineers, has been making some efforts to bring about a peaceful settlement of the coal strike in order to avoid consequences which might be disastrous to all organized labor, and the firm policy adopted by the administration in dealing with the United Mine Workers has undoubtedly given much food for thought to any other labor leaders that might have been planning to go farther than to threaten a strike. While the labor leaders have been protesting loudly against proposed anti-strike legislation such as that embodied in the Cummins bill and bills introduced in the House, they seem to have overlooked entirely the teeth in the food and fuel control act which has proved so potent in dealing with the coal strike. This has been in existence since August 10, 1917, and was strengthened as late as October 22. As amended at that time it makes it unlawful to "conspire, combine, agree, or arrange with any other person, (a) to limit the facilities for transporting, producing, harvesting, manufacturing, supplying, storing, or dealing in any necessaries"; and the stress which has been laid upon the effect of the coal strike upon transportation in the proceedings in connection with Judge Anderson's injunction leaves no room for doubt that the same law could be applied in the case of a railroad strike.

Officers of the railroad brotherhoods were called into conferences with the leaders of the steel and coal strikes, presumably for the purpose of enlisting their co-operation, and it is understood that they agreed not to oppose walkouts by individual employees of industrial roads serving the steel plants on which the employees are not under contract with the Railroad Administration, but so far apparently the co-operation of the brotherhoods has been confined to "moral support."

L. E. Sheppard, president of the Order of Railway Conductors, in announcing the intention of the brotherhood representatives to withdraw from the Industrial Conference on October 22, said:

"I regret beyond the power of words to express that I must in the near future, if things go as the stage is set, fight men that I fought years and years ago, but whom, for some years at least, we have been on friendly relations with—the railroad men and the railroad managers, who have gotten together, and have been getting along in peace and harmony, and who have begun to fully realize what can be accomplished by co-operation, but now it seems that all that we have accomplished is to be sacrificed, and that we are to be drawn into the vortex of this industrial warfare.

"Railway labor cannot stay out of the controversy. The railroad men are the key to the whole situation. You cannot have a controversy of any description, of any magnitude, that the railroads are not drawn into it. We want to live up to our contracts; we are threatening to expel from membership those who do not live up to our contracts; but what assistance do we get from the conference which has taken place here? What can we say to our men, when the men are leaving the service of the employers all about us—'Stay at your work and help tear down the other workers?' That is what it means, and I say it is not fair to the men who want to do the right thing."

W. G. Lee, president of the Brotherhood of Railroad Trainmen, was quoted on November 1 as having given the following reply to a question as to the attitude of his organization in connection with the coal strike:

"Our organization is fully in sympathy with the miners in attempting to secure a living wage and better working conditions, and believes that the position taken by the government in connection with the injunction issued will probably disturb industrial conditions to a far greater extent than recognized by those in charge of governmental affairs.

"The railroad brotherhoods will assist the miners in every honorable and consistent way and the officers of the miners' organization fully understand the brotherhoods' position.

"I have not assumed to impose my opinion or presence either at the White House or upon the Attorney General in connection with the miners' strike, because no intimation from the officers of the miners' organization has come to the trainmen's brotherhood, to my knowledge, requesting such assistance or the use of our influence."

Apparently the first concern of the railroad labor organizations has been to prevent the return of the railroads on December 31, not because they are particularly enamored of government control, but because they have thus far been able to get more of what they wanted from the Railroad Administration than from private management, and their representatives have recently been very busy in working with members of Congress for an extension of federal control. They have also laid plans for getting as much as possible from the Railroad Administration before it lets go and will probably make some demonstration in an effort to insist on their demands before the railroads are returned, but present indications are that their efforts will not meet with entire success.

The demands for general increases in wages presented in July and August have been held in abeyance in accordance with the President's request that the government be allowed a reasonable time in which to attempt to reduce the cost of living, and meanwhile the Board of Railroad Wages and Working Conditions has been holding hearings and making recommendations to Mr. Hines on requests for readjustments to correct alleged inequalities. Some of the labor leaders have expressed impatience with the slowness of the results achieved in the direction of reducing prices and have declared they will regard the "reasonable time" as having elapsed very shortly.

Director General Hines has arranged for an early conference with the executives of the four brotherhoods, and also of the maintenance of way employees' organization, at which he is expected to give them some kind of a definite answer on the various demands that have been made, including the question of time and one-half for overtime in road train service. The engineers and conductors have not presented any formal wage demands, but the conductors are involved in the demands presented by the Brotherhood of Railroad Trainmen. A hearing on the firemen's demands has recently been concluded by the wage board.

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Railroads Expected to Be Returned January 1

Temporary Legislation May Be Necessary if Permanent Act Is Not Passed by That Time.

ACTIVE PREPARATIONS FOR THE RETURN of the railroads to their owners at midnight of December 31 are now under way, both on the part of the Railroad Administration and by the executives of the railroad companies that expect to resume their operating functions. However, the proposed legislation to provide for the regulation of the roads after their return, or for their reorganization, as contemplated by the Senate bill, has encountered so many snags that it now seems probable that the roads will go back with only temporary legislation providing for a continuation of the guaranteed standard return until a permanent bill can be enacted and efforts are still being made to continue the present form of control for another year or two.

The House committee completed its work on the revised Esch bill on November 8 with the purpose of reporting it the following Monday, and of attempting to pass it during the week. Chairman Cummins, of the Senate committee, also planned to attempt to get consideration of the committee's bill in the Senate during the week in an effort to pass it, but it is recognized that it will be practically impossible to do so or to obtain an agreement before the end of the year between the House and the Senate on the two conflicting bills if both should succeed in passing them. After that situation is made clearly apparent it is proposed to pass a temporary resolution in December, although the plan will encounter some opposition on the part of members of Congress who will favor a further extension of the period of federal control.

The House committee has held almost daily sessions on its bill since a tentative bill was reported to the full committee on October 29, by a sub-committee which had worked on it since the conclusion of the committee's public hearings on September 26. The Senate committee reported the revised Cummins bill on October 23, but later the committee reached a point where it was practically ready to agree that the Cummins bill could not be passed before January 1, and that the only practicable course to pursue would be to put through a temporary resolution on which an agreement could be reached with the House, avoiding all points of controversy. When the House leaders objected to this idea and insisted that it would be possible to pass the Esch bill in time for an early adjournment it was decided to make another effort in the Senate and postpone the proposed temporary resolution until December. Before that time conferences will be held between Chairmen Cummins and Esch of the two committees, Director-General Hines and representatives of the railway executives as to the terms of the temporary resolution.

Political considerations, the desire of Congress for an adjournment of the present extra session before the new session begins in December, the interminable character of the Senate debate on the peace treaty and wide differences of opinion between the House and Senate committees as to what should be included in the railroad bill, have been added to the inherent complexity of the railroad problem as factors causing the delay. The Democrats apparently have made up their minds to wash their hands of the railroads, while the Republicans, who have taken great delight in criticising Democratic management of the roads, have recently evinced increasing reluctance to assume the problem themselves and this situation has added strength to the element in Gongress, backed by the railroad labor organizations, for an extension of federal control until after the election next fall. Representatives of the 14 railroad labor organizations at a recent meeting in Washington decided to work for a two-year extension.

For a long time members of Congress and others seem to have harbored an idea that the President could be easily induced to retain his control of the railroads indefinitely pending the completion of the railroad legislation, in spite of his declaration last May that they would be returned at the end of the year. This idea seems to have been rather definitely dispelled by recent announcements of the director general that he was planning for the return of the roads regardless of legislation, and has given way to a realization that the Republicans can no longer dodge their responsibility. Director General Hines has made it plain on several occasions that he does not consider it practicable for the government to continue the operation of the roads for a brief or uncertain period, and during the past week he seems to have made it plain that the President is not going to change his mind. The idea has prevailed in many minds that the railroad labor situation now coming to a head would interfere with the plans for the relinquishment, but as the preparations for winding up the active operations of the Railroad Administration have proceeded, it has been more frequently suggested that the labor situation represents one of the reasons why the government would be glad to let go.

Senator Cummins Urges Action

On November 4, Senator Cummins urged the Senate to dispose of the German treaty during the week in order that the railroad bill might be taken up, and said that if he could not be assured in some manner that the railroads would not be returned to their owners in the absence of adequate and protective legislation he would feel it his duty to ask that the treaty be displaced. "Nine months ago, substantially," he said, "the President declared that not later than the first of January he would feel it his duty to return the railways to their owners, under a power which he undoubtedly possesses. I have good reason to believe that his purpose at that time has not been changed. I cannot speak positively with regard to his intent, but I am led to think that about the first of January these properties will be returned to their owners. Nor could anyone criticise the President with much severity, because we have had ample opportunity to prepare and enact into law the legislation which I regard as absolutely necessary in the return of our systems of transportation to their owners. In view of the impending calamity—and it will be a calamity from which we cannot escape, if the railroads are returned without adequate legislation—the German treaty ought to be disposed of.

"If the railroads are returned without adequate legislation, you will not only see an intensification of all the difficulties which are now observed in the labor world, but in my judgment you will witness a financial catastrophe against which it will be very hard for us to contend."

Senator Cummins added that if he were in the President's stead, he thought he would not return the roads until adequate legislation is enacted, "yet there are a great many reasons which move in that direction." "At this time," he said, "there is almost complete demoralization in the railway service. The employees cannot maintain that degree of efficiency which ought to be manifest in all such service. The railway companies are utterly incapable of doing anything, for they have nothing with which to accomplish any purpose. The

properties are not in their possession; the working capital is not in their possession; they are unable even to prepare fairly for the approaching return of the properties. There is every consideration for the rapid disposition of the subject."

When it became apparent that the Senate was not able to agree upon an early date for the disposition of the treaty the Senate committee on interstate commerce held a meeting on November 5 and decided to propose the plan of temporary legislation. The House committee, however, showed a disposition to go ahead and attempt to pass its bill and Chairman Cummins gave out a statement to make it clear that the effort to pass permanent legislation had not been entirely abandoned.

"We are informed definitely that the railroads will be returned by the President to the companies on January 1," he said. "In that situation, and with the uncertainty about passing much-needed legislation before they are returned, the Senate Committee on Interstate Commerce has been in a conference to consider the possibility of taking steps to pass temporary measures to render the transitional period easier. By that I mean, particularly, the extension of the guaranteed return for some brief period until the permanent reconstruction legislation can be passed.

"There was complete agreement as to the necessity for getting legislation passed before the roads go back, but realizing the difficulties that will confront it in the Senate I have begun to doubt whether we could pass it at this session, or even before the beginning of the new year."

The Anti-Strike Clause

It is understood that some of the House leaders and also members of the steering committee of the Senate urged that the Senate committee omit from its bill the proposed anti-strike legislation in order to expedite the passage of a bill, or even to put it into a separate bill.

Organized labor is preparing for one of the biggest fights in its history in an attempt to defeat any anti-strike legislation. The officers of the four railroad brotherhoods conferred with Chairman Cummins of the Senate committee on October 31, and made formal application for another hearing on the so-called anti-strike provisions of the Cummins bill, although they had had a three-day hearing in September. They had prepared written objections to the bill which Senator Cummins submitted to the committee, but by unanimous vote the committee declined to reopen the hearings.

Representative Sims, on November 5, introduced a bill providing for an extension of federal control until December 31, 1921, "or until Congress otherwise orders." This is in accordance with the proposals of the railroad labor organizations. Mr. Sims had proposed a six-months' extension the week before in the House committee, but the proposal had been voted down. It was reported, however, that a strong support might be gained for a one-year extension, as a compromise between those who were opposed to a continuation of the guaranty unless the roads are retained by the government and those who favored the labor plan for a two-year extension. Mr. Sims had a long conference with Director General Hines the day before he introduced his bill.

Mr. Sims also introduced a bill to provide that for one year from the end of federal control no attachment, execution, order of sale, or other process, mesne or final, shall be issued or levied upon or against the property of any railroad company subject to the federal control act, used or necessary to be used by such company as a common carrier engaged in general transportation; but that actions at law or suits in equity may be brought against such carriers and judgments rendered as now provided by law. He also introduced another bill to provide that not more than $20,000 of the salary of any railroad officer shall be charged to operating expenses, or be considered by the Interstate Commerce Commission in reaching its conclusion as to the justness or reasonableness of any rate, fare, charge, classification, regulation or practice.

The House bill, as sent to the printers on November 8, differs radically from the Cummins bill. It centers authority in the Interstate Commerce Commission, with no provision for a transportation board. It does not provide for federal incorporation nor compulstory consolidation. It has no definite standard of rate-making and it contains no anti-strike provisions. It contains a rule of rate-making requiring the commission to consider "the interest of the public, the shippers, the reasonable cost of maintenance and operation, including the wages of labor, depreciation and taxes, and a fair return on the value of the property used or held for the service of transportation" in reaching its conclusions.

The bill provides for the termination of the present government control at the end of the month within which the measure is approved by the President, for the temporary continuation of rates initiated by the government during federal control, for the continuation of the guaranteed standard return for six month, including a similar provision for short lines that were relinquished, and for a funding of the indebtedness of the roads by the government for 10 years. Provision is made for voluntary adjustment of labor controversies through boards similar to those created by the Railroad Administration and for the assessment of damages against the company or against a labor union for violation of a contract by a lockout or strike.

Minimum Weights in Grain Increased

The Railroad Administration has filed with the Interstate Commerce Commission supplements to tariffs providing for the establishment of minimum weights on grain and grain products designed to secure heavier loading and to make available additional freight cars for the transportation of grain and grain products. The amended tariffs will provide that the new minima are made effective purely as an emergency matter. When the emergency has passed, the tariffs will be withdrawn.

This step had been made necessary by the extremely heavy demands which are being made upon the Railroad Administration for the transportation of grain and grain products and by the fact that in many markets cars are being ordered loaded only to the existing minimum weights even though these are considerably less than the capacity of the cars. These minima are not being established for the purpose of securing revenue or as a permanent policy, but solely to assist in providing more freight cars during the present emergency.

The new minimum weights will be as follows:

On grain, all kinds, the minimum weight will be the marked capacity of the car except that where the marked capacity is less than 40,000 lb. the minimum weight will be 40,000 lb. per car. The actual weight will apply when grain is loaded to within 24 in. of the roof at the side walls of the car for the purpose of federal or state inspection by grain exchange at points where federal inspection is maintained (notation to that effect being inserted in the bill of lading by shippers) or when grain is loaded to proper grain line of cars so marked.

On grain products, the minimum weight will be 60,000 lb. per car provided that when the marked capacity of the car is less, the marked capacity, but not less than 40,000 lb. per car, will apply, and provided further than when a car is loaded to full space capacity the actual weight will apply.

Organized Labor Opposes Anti-Strike Legislation

General Labor Conference Called; Anti-Strike Bills Introduced in Both Houses

WASHINGTON, D. C.

THE RAILROAD LABOR ORGANIZATIONS and the American Federation of Labor have united their forces to oppose the proposed anti-strike legislation now pending in Congress, which is included in the Cummins bill in the Senate and several bills in the House. After having assumed a belligerent attitude during the summer the railroad labor leaders have been rather put on the defensive recently by the evidences of strong support in Congress for such a law.

A Conference Called

The executive officers of the four train service brotherhoods have joined with the executive council of the American Federation of Labor in a call for a general labor conference to be held at Washington on December 13 by representatives of 112 national and international unions affiliated with the American Federation of Labor and possibly by representatives of some of the farmers' organizations. The call for the conference says:

"In this critical reconstruction period labor is confronted with grave dangers affecting the very foundation of its structure. So grave is the situation regarded that at its recent meeting the executive council of the American Federation of Labor and the representatives of the railroad brotherhoods agreed that the executives of the national and international unions should be invited to participate in a conference at the headquarters of the American Federation of Labor at 10 o'clock on the morning of December 13, 1919, and there to take counsel and to formulate such action as may be essential to safeguard and promote the rights, interests and freedom of the wage-earners, the workers, who form the great mass of the people of our republic.

"It is imperative that the responsible representatives of the labor movement shall, therefore, consider the situation in the industrial and legislative field and agree upon fundamental principles and a program which the wage-earners will accept in performing their duties as citizens and at the same time maintaining the right of free men in order to conserve human interest and welfare."

This conference was decided upon at a meeting on October 25 at which, according to Mr. Gompers' announcement, "general discussion ensued regarding the legislation pending in Congress inimical to the rights and interests of industrial and agricultural workers," and "further discussion ensued regarding legislation which should be urged at the hands of Congress in the interests of the above." Mr. Gompers said that the representatives of the farmers' organizations, "although in entire sympathy with the discussion and purposes, stated that they had no authority to join in the call, but in their convention, which would be held within a month from now, would be glad to receive invitations upon which to act."

Timothy Shea Says Anti-Strike Law Would Not Be Observed

W. H. Johnston, president of the International Association of Machinists, was quoted in the newspapers as saying that in the event of the passage by either House of Congress of proposed anti-strike legislation he would immediately order a strike vote of his 350,000 members and that he had no doubt similar action would be taken by other unions. Timothy Shea, acting president of the Brotherhood of Locomoive Firemen and Enginemen, issued a statement on October 25 opposing the proposed anti-strike law, saying that firemen and hostlers would not observe "any law which deprives them of the rights of American citizens."

Mr. Shea's statement was prompted by the publication of extracts from his recent testimony before the wage board when he announced the program he proposed to insist upon as a condition precedent to the return of the railroads.

"We are now waiting," said Mr. Shea, "the outcome of this campaign against the high cost of living. We wish to see prices reduced. If prices are not reduced, however, we shall have to have further advances in our wage schedules in order that the standards of living of locomotive firemen and hostlers shall at least be maintained on a subsistence level."

Mr. Shea pointed to the war activities of the railway workers, whose patriotism and patience during the war years, he claims, were notable. For nearly four years, he said, the railway men have been waiting for the establishment of a reasonable work day, with time and one-half pay for overtime.

"We considered," he continued, "it our duty to remain at work in the transportation industry in a time of war emergency, even though we suffered great financial loss in so doing. We looked upon the war as a time to give the full measure of our capabilities and experience to the country and not as a time to make money.

"Strikes occur in industry for various reasons. The experience of the world has shown that anti-strike legislation has always been abortive. The Senate committee which has reported the Cummins bill, has a report, prepared two years ago, which was based on an exhaustive study of anti-strike legislation in Europe, Great Britain and Australia, and the conclusion was drawn that in all countries where it had been tried it was found to have been a failure. Now, we find this same committee, in the face of its own exhaustive investigations and conclusions, and contrary to the well-known experience of the leading industrial and commercial nations of the world, submitting anti-strike legislation. The irrationality of such action is only equalled by its ineffectiveness.

"If railroad employees are given their simple, fundamental, economic rights, together with proper machinery for adjusting current and less important grievances, there would be no occasion for strikes and few strikes would occur. This is the intelligent and effective policy to pursue. If the members of the Senate committee were possessed of the elements of real industrial insight and constructive statesmanship, they would recommend such a policy instead of the foolish and futile anti-strike provisions of the Cummins bill or the proposed amendment to the federal control act introduced by Congressman Black."

Shea asserted that firemen cannot physically endure the hours they are now required to work and that after four years of waiting they have decided that the shorter workday issue cannot long be postponed. Unless the cost of living is reduced, he added, the rates of pay must also be advanced to meet the increased cost of living.

He also made reference to the labor provisions of the League of Nations which guarantee to all industrial workers a living wage and an eight-hour day.

"These two principles," he adds, "have, therefore, been sanctioned by the enlightened opinion of the civilized world. They are obligatory upon our government and upon the Railroad Administration to see that they are practically applied. It is the duty of the Senate to see that they are embodied in any legislation as a condition precedent to the

return of the railroads to their private owners or to any change in the present method of operation. If they wish to bring about stability of operation of the railroads and prevent strikes or interruption of traffic, they should assure the employees of these fundamental rights.

"If anyone will take the time to review the history of the transportation brotherhoods they will have no trouble to ascertain that strikes have been an almost unknown quantity. It is true that now and then, here and there, on an individual road there has been a temporary stoppage of traffic, but not until every other effort to secure justice had been exhausted. There have been no sympathetic strikes sanctioned. The public has been always free from any inconvenience, and to have the Congress single out railroad employees and attempt to deprive them by statute of the economic right to strike if need be, to prevent injustice being imposed upon them, must be accepted, in connection with other information we have, as a foregone conclusion that the railroad interests contemplate putting into effect a general reduction in wages of railroad employees after the roads are returned to private control, and to prepare for this action they desire a law to prevent such employees from striking to combat injustices which may be perpetrated by reducing their wages or interfering with their hours of labor or rules of employment which have been established.

"If these interests or the legislators believe railroad employees will unresistingly submit to any such invasion of their rights as citizens, they had better expel that thought from their minds, because I believe I speak for locomotive firemen and hostlers, at least, when I say that any law which deprives them of the rights of American citizenship would not be observed, not because this class of American citizens are lawbreakers, but because such a law would be unwarranted, un-American, and contrary to American institutions.

"If an anti-strike law is enacted, the responsibility for any upheaval which might follow lies with Congress."

Public Opinion Crystallized

While many observers of the course of legislation in Congress have freely predicted that it would not pass an anti-strike law and some surprise was expressed when the Senate committee voted for the anti-strike section of its bill by a vote of 14 to 1, Senator La Follette constituting the minority, the coal and steel strikes have caused a remarkable crystallization of feeling against strikes and several bills on the subject were introduced independently.

An anti-strike bill, H. R. 10138, was introduced in the House on October 23 by Representative Black as an amendment to the federal control act, providing that during the period of federal control if two or more persons enter into any combination or agreement with the intent substantially to hinder, restrain or prevent the movement of commodities or persons over the lines of railroads or systems of transportation under federal control, they shall be deemed guilty of a conspiracy, and punishable by a fine not exceeding $500 or by imprisonment not exceeding six months, or by both. It is provided, however, that nothing in the act shall be taken to deny to any individual employee the right to quit his employment for any reason, but that it is the purpose expressly to prohibit his conspiring with other employees to do so by means of a strike.

Another bill, introduced by Representative Blanton, would make coal miners or railroad employees who strike subject to $5,000 fine, or two years' imprisonment, or both.

Representative Snyder on October 29 introduced in the House a bill, H. R. 10256, providing for the creation of a railroad wages and supplies board to decide controversies between common carriers and either their employees or corporations, firms, partnerships or individuals engaged in furnishing such common carriers with materials and supplies. The board would be empowered in cases of disputes between common carriers and their employees to prescribe for the future just and reasonable wages, terms and conditions of employment, hours of service, or working conditions. It would also make it unlawful for any group of employees to enter upon a strike before its controversy with the employer carrier or carriers has been submitted to the board and until the board has made a finding thereon. If the carriers conform to the findings of the board the right of the employees thereafter to strike in order to obtain their demands is prohibited and declared unlawful. The common carrier refusing to abide by the finding of the board would be made punishable by a fine of $25,000 for each offense and its officers who advise or acquiesce in the action of the carrier in refusing to comply with the findings would be made subject to indictment and a fine of not less than $5,000 or imprisonment for not more than two years, or both. Any group of employees striking after the board had rendered its findings would be made punishable by a fine of not more than $2,000 each or imprisonment for not more than one year, or both. The word "group" is defined to mean two or more employees and a strike is defined to mean the abandonment of employment by such group, pursuant to an agreement, understanding, or by concert of action.

The bill also provides that when any carrier shall need material or supplies and shall be unable to agree with the manufacturer or seller upon the price or the terms and conditions, or when contracts have been made and the proposed charges are alleged to be unreasonable, the carrier may file a petition with the board, which shall enter upon a hearing and thereafter determine and prescribe just and reasonable prices, terms and conditions. A decision of the board would be subject to court review.

Plumb Plan League Issues a Newspaper

THE PLUMB PLAN LEAGUE, which for some time has been issuing a small weekly paper called "Railroad Democracy," has made it into a newspaper and changed the name to "Labor." It contains news articles and editorials regarding current labor issues outside of as well as within the railroad field, and on the first page appeals to all organized labor "to fight for rail democracy" by becoming members of the Plumb Plan League. Everybody is invited to take out individual memberships for a fee of one dollar a year, and lodge memberships for $10. One news item, "Action Postponed on Return of Roads," apparently is intended to state that leaders in both parties of Congress have come to the conclusion that there will be no railroad legislation before the December session, although one line of the type is missing. It is stated, however, that a report on the House bill is not expected until November and that the Cummins bill will also be held up pending further developments and that "this action may be interpreted as the first victory of the Plumb plan in the legislative struggle for a solution of the railroad problem. Two months ago there was no question in the mind of Congress of any action except a return of the railroads to their private owners. Since then they have had time to think the matter over."

The news in the paper includes a report of the testimony before the Senate committee on the steel strike and of the railroad labor leaders before another Senate committee on the Cummins bill, stories regarding the British railroad strike, etc.

Managers of the League have announced that the State of Ohio has been selected for the first intensive organization in support of the "Plumb Plan." Plumb Plan leagues are to be organized at once in Cleveland, Cincinnati, Toledo, Columbus and other cities, following which the labor unions are to be organized in support of the plan. Efforts will later be made to obtain additional support from the farmers.

Railway Executives to Ask for Rate Advance

Administration Refuses to Increase Rates; Gives Data in Its Possession to Railway Executives

DIRECTOR GENERAL HINES, having announced his conclusion that the Railroad Administration should not establish any general readjustment of rates during the remaining period of federal control for the purpose of increasing revenues, the railway executives had begun preparations for filing tariffs with the Interstate Commerce Commission designed to establish a proper relationship between the revenues and expenses of the railroads. In this they are taking advantage of Mr. Hines' offer of the assistance of the traffic department of the Railroad Administration which had already done a good deal of work toward the tentative preparation of tariffs during the time while the Railroad Administration was considering the advisability of a rate advance on its own account. The first point to be decided is as to what increase in revenue will be required; this is a difficult problem because of the uncertainty as to the volume of traffic and also as to whether further increases in wages will be granted. It is understood that the plans so far considered have contemplated not a horizontal percentage advance, but a readjustment designed to bring up the low spots in the present rate structure.

Director General Hines announced his conclusion that the government should not increase rates and gave his reasons in a letter dated October 7 to Thomas De Witt Cuyler, chairman of the Association of Railway Executives, confirming a previous conversation on the subject. Mr. Hines said:

Why Director General Will Not Increase Rates

"From time to time I have discussed with you and other representatives of the railroad executives, the question of what, if any, increases should be made in railroad rates, and the manner in which such increases should be made. My view has been and is that this important matter must be handled in accordance with the two following considerations:

"First: The question of an increase in rates could not properly be considered on the exclusive basis of the unfavorable showing which the Railroad Administration was making in the early part of this year, because that showing was very largely due to an abnormally small freight business, so that the results of that period could not fairly be taken as a test for making increases in rates. Necessarily, therefore, it seemed to me that the formulation of any proposal for a general increase in rates would have to await a better opportunity for making an estimate as to what the earning capacity would be under normal conditions. I have been increasingly confirmed in this opinion by the various developments which have taken place.

"Second: It has seemed to me that the public would not be satisfied under existing conditions to have any general increase in rates put into effect without the concurrence of the Interstate Commerce Commission. The public sentiment to this effect has been manifested in many ways throughout the year and has been emphasized by the recent passage by the two houses of Congress of bills providing that there shall be an opportunity to review any rates proposed by the Railroad Administration before those rates shall go into effect. It follows, therefore, that time and opportunity must be provided for public consideration by the regular rate-making authority of any rate proposals now made.

"Since the foregoing controlling factors must be respected, it is evident that it would be impossible for the government to establish any general readjustment of rates prior to January 1, 1920. It is also evident that any new basis to be established for the future should naturally be considered, not from the standpoint of unified operation of all the railroads, but to a greater extent from the standpoint of the necessities of the separate railroads. A rate adjustment which might fully protect the government when operating all the railroads as a unit might wholly fail to protect equally or fairly the different railroads when separately operated.

"I, therefore, see no escape from the conclusion that if the corporations desire to make progress at this time with this matter, they enter themselves upon a study of the problem to determine what tariffs they think ought to be proposed, with a view to filing tariffs accordingly with the appropriate public authority.

"I suggest, therefore, that you advise the railroad corporations that, if they desire to take this course, I shall be glad to place at their disposal all the information in the possession of the Railroad Administration bearing on the subject. Since most of the traffic experts who would ordinarily be relied upon by the railroad companies in a matter of this sort are now employed by the Railroad Administration, I shall be glad to provide that the traffic experts so employed shall aid the railroad corporations in studying this problem and bringing it to a conclusion."

To this Mr. Cuyler replied on October 13, as follows:

Railroad Executives Pass Resolution

"I duly received your letter of October 7, confirming our conversation in reference to the increase in railroad rates, and submitted the same today to meetings of the steering committee, the standing committee and the full membership roads, all of which were very fully attended.

"The committee came to the conclusion unanimously that they did not see their way clear to accept your suggestion of an application by the roads to the Interstate Commerce Commission for an increase in rates before a further conference with you on the subject. A very strong feeling was developed that it was the duty of the government, in view of all the circumstances, to make an increase of their own volition. I enclose you herewith a copy of the resolution that was adopted by both the steering and standing committees and the general membership.

"Under the terms of the resolution, I propose to appoint a committee to confer with you, and I shall be glad if you will advise me when you can conveniently see the committee at as early a date as possible."

The resolution reads:

"Resolved: 1. That the Association of Railway Executives respectfully insists that the duty rests upon the government to restore, on its own initiative and by its own action, the relationship between revenues and expenses which the government's action, in increasing expenses, has disturbed; and that appropriate action in this direction is necessary in order to be in conformity with the statement of the President, when the railroads were taken over by the government, that investors in railroad securities might rest assured that their rights and interests would be as scrupulously looked after by the government as they could be by the directors of the several railway systems.

"2. That a committee be appointed by the chairman, of which he shall be chairman, to take such action as it may consider appropriate to secure a reconsideration of the conclusion of the director general as stated in the letter above referred to, and to take such other action as they may deem

necessary in order to protect the interests of the railroads in regard to rates to be effective after the end of federal control."

Director General Hines Replies

Regarding the position of the railway executives, Mr. Hines, while at Duluth, Minn., on October 18, authorized the following statement:

"The suggestion of the railroad executives that the Railroad Administration make increases in rates can mean only one thing and that is, that the Railroad Administration shall make these increases during federal control for the sole and exclusive benefit of the railroads under private management after the end of federal control. This is true because the conclusion has been reached with the approval of the President that it is not in the public interest to make an immediate increase in rates for the purpose of increasing the revenues of the Railroad Administration during federal control. A fundamentally wrong conception is involved in the claim that the President ought to exercise the emergency rate-making power conferred upon him for the purpose of deciding as between the railroads and the public what the former shall charge and what the latter shall pay after federal control shall end. The theory of federal control was that the movement would guarantee a rental during federal control but not afterward. The idea, of course, was that after federal control the permanent statutory revisions and procedure would be looked to by the railroad companies to secure for themselves adequate compensation. The resolution of the railroad executives in effect takes the position that they are not willing to resort to the permanent statutory provisions to protect their interests, but instead they want the President to use his emergency power so as to provide for their compensation after federal control, in addition to having guaranteed them their return during federal control. There is no duty whatever, either legal or moral, resting upon the Railroad Administration, to initiate for the benefit of the railroad corporations rates which it believes to be inexpedient to initiate for its own benefit. On the contrary, the railroad companies have the power to protect their interests in this matter just as fully as they have had in the past, and they ought to resort to it unless they choose to stand on the rates as they are.

"With regard to the position suggested by the railway executives that the Railroad Administration ought to increase the rates because of the Railroad Administration's action in increasing the expense, this could not be true as to increases in expenses which would have taken place if the Railroad Administration had not been in existence. In view of the extraordinary increases in expenses of all forms of industry under private management, there is no basis for demonstrating that the increases in expenses of the Railroad Administration were due to any cause other than those which affected all forms of industry, hence no basis for claiming that a temporary emergency power of rate-making during federal control should be employed for the exclusive purpose of meeting them after federal control shall have ended. Even though the Railroad Administration deemed it expedient to increase rates for its own benefit, it would still be true that the increases it would make under which to defray the expenses of the unified operation of all the railroads in the country might be very different from the increases which would be necessary to protect the separate railroads or separate territorial groups of railroads in different parts of the county."

Final Action

Director General Hines met with the committee of executives at their request. After some discussion of the position of the executives, which was reaffirmed by them, that the government itself should initiate a revision in rates prior to January 1, 1920, and a reiteration by the director general of his previously announced position, the executives advised the director general that they would take advantage of his offer. At a separate meeting following the conference with the director general the executives agreed upon the following statement, a copy of which was left with the director general:

"Following the recent correspondence between the director general of railroads and the chairman of the Association of Railway Executives, a conference was held today between the director general and a committee of railway executives for the purpose of considering the request of the executives that the director general reconsider his decision not to make a general readjustment of rates during federal control. The director general having after discussion announced that he felt obliged to adhere to the conclusion he had already reached, he reiterated his offer to place at the disposal of the railroad companies all the information in the possession of the Railroad Administration bearing on the subject and to provide the aid of the traffic experts employed by the Railroad Administration in studying the problem and bringing it to a conclusion.

"It was thereupon resolved that the above-mentioned offer of the director general be accepted and immediate steps be taken by the railroad companies, with such aid, to ascertain the pertinent facts and to prepare their proposals for a readjustment of rates in such way and to such extent as will establish a proper relationship between the expenses and revenues of the railroad companies, in order that their financial needs may be adequately provided for and they be put in a position to perform efficiently their transportation duties after their properties are returned to them."

Plumb Plan Propaganda

THE PLUMB PLAN LEAGUE has a large appropriation for printing and postage for its publicity work, but it is not always necessary to draw on its fund for the distribution of its propaganda. Members of the Plumb Plan League have been receiving during the past few days an official looking envelope bearing in its upper left-hand corner in large type, the following imprint:

House of Representatives U. S.
Part of Cong. Record—Free
GUARD YOUR LIVING COSTS
Shall Dividends Be Guaranteed on
Watered Stock Equal to Rebuilding the Railroads?
The Plumb Conspiracy Letter.

In the upper right-hand corner, where ordinary mail usually carries a stamp, is the printed autograph of George Huddleston, M. C., who is a representative from Alabama in the House of Representatives. The envelope contains a printed document headed as follows:

CONSPIRACY OF THE RAILROADS
To Tax the Public on Their Debts
and Raise the Cost of Living
CAPITALIZATION DOUBLES THE COST
OF REBUILDING THE RAILROADS. NEW
SHALL DIVIDENDS ON BILLIONS OF WATERED
STOCK BE GOVERNMENT GUARANTEED
AT 6 PER CENT?

Below is the information that this refers to a speech of the Hon. George Huddleston of Alabama in the House of Representatives on August 18, 1919, and that it was printed at Washington in the Government Printing Office in 1919. The speech was one delivered by Representative Huddleston in connection with the introduction of a resolution providing for a Congressional investigation of alleged "sensational" charges made before the committee on interstate and foreign commerce by "the responsible representatives of 2,200,000 railroad employees," that "the railroads of the United States are now seeking to validate billions of fraudulent capitalization, thereby burdening the American people in the cost of living with unjust and oppressive charges for transportation.

Firemen Given Hearing Before Wage Board

Board of Railroad Wages and Working Conditions Exposes Fallacy of Timothy Shea's Arguments

RAILROAD EMPLOYEES PROPOSE to demand, as a condition precedent to the return of the railroads to private management, the granting of their demands for increased wages and other concessions, according to a statement made by Timothy Shea, acting president of the Brotherhood of Locomotive Firemen and Enginemen, at a hearing before the Board of Railroad Wages and Working Conditions. This hearing was on the demands of the organization for increased wages, new rules governing working conditions and the installation of labor-saving equipment on locomotives, which were presented to the Railroad Administration in August. Mr. Shea used the word "we," which presumably refers to his organization, and did not state whether he was voicing the views of other organizations. He declared that the Railroad Administration had never complied with the proclamation made by the President at the time the War Labor Board was established stating the right of workers to a living wage based on a standard of health and reasonable comfort, and he continued:

"If our demands for a living wage cannot be considered at the present time and should they not be met when the time approaches for turning back the railroads to their private owners, we shall demand that as an essential preliminary to the turning back of the railroads to their private owners there shall be established as a conditions precedent to the change to private operation the realization of the fundamental rights of labor, the living wage, the eight-hour day on all federal controlled roads, time and one-half for overtime, and other principles to which the government pledged itself during the war, which have now been made a part of the Treaty of Peace and which so far the Railroad Administration has never fulfilled."

The hearing before the board was begun on October 1. Because of Director General Hines' instructions to the wage board that it was not authorized to consider at this time general increases in wages, but was limited to consideration of readjustments to correct inequalities, the complete demands of the firemen's brotherhood were not considered at the hearing, but Mr. Shea stated that the stay is only temporary and that it will be absolutely necessary for his organization to seek "relief" within the very near future for the reason that existing rates of pay to firemen and hostlers are so inadequate and their earnings have fallen so far below living requirements that immediate relief is necessary unless there is an immediate reduction in the cost of living. He was convinced that the measures being taken by the government to reduce the cost of living are inadequate and will not meet with success and he declared that the President should first have ordered the director general to increase the wages of railroad employees so as to restore prewar conditions, at least, and then if the cost of living were reduced an adjustment could have been made. The government, he said, should take control of and administer the available supplies of food, raw materials and manufactured goods and stop profiteering.

"Living Right Up to the Margin"

"There is an increase due to firemen and hostlers," Mr. Shea said, "and they have got to have it. If I cannot get it out of this conference it may be necessary to use other means, but I am going to get it. I want to make that position pretty clear."

W. E. Morse, a member of the board, asked Mr. Shea if he thought the cost of living could be reduced and wages increased simultaneously. Mr. Shea said he thought it could be done. He insisted that labor costs constitute only a small part of the price of a majority of commodities and he gave some figures to illustrate his point, but members of the board brought out the fact that his figures for labor cost usually represented only the labor cost of manufacture and did not include the labor cost involved in production and distribution of raw materials nor those of the wholesaler and retailer involved in the distribution of the finished product. Because of the increased cost of living, Mr. Shea said, his men are unable to provide for their families and are going without proper food and proper clothing. He said that when he began railroading as a brakeman, men could build their homes and live well on $1.25 a day and had more than they now have. Asked if the question of thrift did not enter into the situation, Mr. Shea said he did not think it possible for working people to curtail expenditures any more; that the men he represents are living "right on the margin" and depriving themselves and their families of the necessities of life.

"Do you represent any men who are buying automobiles and those things?" asked Mr. Morse.

"I do not hear of any fireman, or many firemen, buying automobiles," replied Mr. Shea.

"You would not regard an automobile as a necessity, would you?"

"Yes, I would."

"Well, I have denied myself a necessity all my life, then," said Mr. Morse, who was general manager of a railroad before becoming a member of the wage board.

"An automobile may be a necessity to any man," said Mr. Shea. "I have an automobile and it is a necessity to me and my family to a considerable extent. That would apply with equal force to any man and I think we have reached a period of our life where the laboring man must enjoy some of the necessaries and luxuries of life. I do not think the time is at hand when the American working man should be required to make any great sacrifices now. They have made their sacrifice."

Mr. Shea testified that the number of protests received from members of his organization as to the inadequacy of the rates established in Supplement No. 15 of General Order No. 27 exceeded those received against any previous wage increase or any other matter affecting the interests of the organization. A revised schedule of wages and rules for firemen and hostlers and their helpers was submitted to the Railroad Administration on August 23 and he was informed on August 27 that the board would hold a hearing, but was not authorized to consider requests involving general increases. Mr. Shea then wrote to Director General Hines, requesting advice as to what matters could be considered and asking whether the director general did not intend to settle the question of time and one-half for overtime in road train service pending the outcome of the efforts to reduce the cost of living. He also asked whether the proposed rules relating to final terminal detention, dead-heading, overtime, time held away from home terminals, expenses while away from home, monthly guarantees and installation of labor saving appliances on locomotives and relieving the firemen of incidental work, were to be precluded from consideration. He also asked for a comparative statement of wages by classes in December, 1915, December, 1917, and

at the present time, which would omit the effect of abnormal increases resulting from reclassifications.

To this Director General Hines had replied on September 12, stating that his instructions insured such consideration of the request as will result in any improper effect of Supplement No. 15 being corrected. As to the labor saving appliances, Mr. Hines said that as they involved capital expenditures which would require the concurrence of the corporations before they could be authorized, he did not see what good would result from such consideration by the wage board, and that they should be handled by himself and the director of the Division of Operation. As to data covering the effect of reclassification of employees, he said, no reliable data is available and the board's report of the hearing will doubtless cover arguments for the proposed rules, including the question of time and one-half for overtime and any additional information it might be able to offer him would receive full consideration.

Labor Saving Devices

Mr. Shea said that he had taken up the question of equipping locomotives with labor saving appliances in June, 1918, with Director General McAdoo and had held conferences on the subject with the directors of the divisions of operation and of labor and the director general. The locomotives ordered by the railroad Administration were so equipped and the regional directors were instructed to take up the question of equipping the other locomotives with the federal managers with a view to securing the approval of the corporations, but little had been accomplished.

"Unless you secure the consent of the corporations to the installation of these labor saving devices and to relieve the firemen from the hardships to which they are now subjected," Mr. Shea said, "it will be necessary for the organization to press its claim for two firemen on large locomotives."

Wages of Firemen and Shop Employes

Mr. Shea based his case principally on the statement that the wages of locomotive firemen in 1914 were inadequate and since that time have been increased only 50 per cent, while the cost of living has increased 85 per cent, and also upon comparisons of the firemen's rates with those of other classes of employees. He declared that there had been an inequality in the rates of firemen and hostlers as compared with those of other classes since federal control because time and one-half overtime, Sundays and holidays, had been granted to all employees except those in road service. He also claimed an inequality as to the expenses while away from home on duty, saying that Supplement No. 4 allowed $2.00 a day for meals and lodging to shop employees for expenses when away from home. He put H. J. Arries, a clerk in the Grand Lodge office at Cleveland, on the stand to introduce a series of exhibits of comparative wages, which he had made up from information furnished by the general chairmen in the absence of the information he had requested from the director general. The comparisons between the wages of firemen and shop employees aroused the ire of A. O. Wharton, chairman of the board, who was the head of the shop employees' federation before becoming a member of the board, and led to a controversy between him and Mr. Shea which extended over several days.

Mr. Wharton declared that Mr. Shea had used rates of pay instead of actual earnings, whereas the schedules applying to train service make it possible for the employees to earn much more than the basic rates of pay for a given time; that he had not made proper allowance for the effect of the introduction of the eight-hour basic day, and that he had so misunderstood the conditions applying to the shop employees that his comparisons were exceedingly unfair. He also pointed out that firemen's rates apply to inexperienced men on their first trip, whereas the shopmen's rates quoted apply to skilled employees who had been required to serve an apprenticeship before receiving full rates. Mr. Shea insisted that the fireman was a skilled employee and the fact that he was not required to serve a previous apprenticeship was offset by the fact that he does not receive full time employment at first. Mr. Wharton said that the rates of pay quoted have nothing to do with the earnings and he objected to the idea of using the shopmen's wages as an argument for increasing those of the firemen, saying that the shop crafts had never used the rates for transportation service for comparison.

"As a trade unionist," he said, "I have never dreamed that a man representing a labor union would bring before the tribunal data which shows such an incorrect picture of the conditions and the earnings of the men as you have presented." Mr. Wharton also objected to Mr. Shea's efforts to compare the mileage rates of the trainmen with the piecework rates of the shopmen.

"Do you know of any other class of employees," he asked, "who have established as a condition of pay a system that would permit them to draw a full day's pay and not give in return therefor the number of hours' service constituting a day's work?"

"Yes, if they are on the piecework basis, the same as the enginemen," replied Mr. Shea.

Mr. Wharton said that the piece worker produces for each minute or hour worked the amount of work represented by the price paid. Mr. Shea said that a trainman does also and that the man in the shop by speeding up could earn in five hours as much as his fellow machinist on an hourly basis could earn in eight hours.

"Does the man on the 57-mile run, who is paid for 100 miles, speed up?" asked Mr. Wharton.

"It all depends entirely upon the condition of the road, the tonnage hauled, the condition of the locomotive and the density of the traffic," replied Mr. Shea.

"That does not answer my question," said Mr. Wharton. "One fireman runs 57 miles in four hours and gets paid for 100 miles and another runs 100 miles in eight hours and gets the same. Who is responsible for one train going over a division faster than the other?"

"Well, it would be hard work to say," replied Mr. Shea. "One man would have the advantage over the other."

"I am afraid you do not understand piece work as I understand it and know it," said Mr. Wharton, who added that he would be able to show before the hearing closes that on the average shopmen have not received as much for a day's services as firemen.

Mr. Wharton also produced a statement of a large number of instances where inexperienced firemen had received increases in pay ranging up to 140 per cent. When Mr. Shea protested that this was only by comparison with the former rates of pay of men who had been "oppressed" and whose schedules had not been made by the organization, Mr. Wharton said that was the kind of comparisons Mr. Shea had been using to show that the shopmen had received greater percentages of increases than the firemen. When Mr. Wharton also produced some examples of firemen's earnings which Mr. Shea said were abnormal and did not represent average conditions, Mr. Shea said that he had just got the director general to order a limitation of the mileage which a man could make in accordance with a principle adopted by the brotherhood at a convention several years ago for the purpose of reducing excessive earnings of men resulting from large mileage.

Mr. Shea took the position that the director general's instructions contemplated that each class of employees should be given the same amount of increase in dollars and cents and that if the firemen had received an increase of $1.50 a day while other classes had received a $2 increase the fire-

men were 50 cents behind and the discrepancy should be corrected. And while the question of a general increase for firemen was not supposed to be considered at the hearing he kept arguing for one, saying that he understood the restriction was only for a limited period in order to determine whether or not the campaign of the government for a reduction in the cost of living is to be effective. After a reasonable time if there is no reduction, he said, it must be accepted that the present cost of living is permanent for the time being at least and the wages of railroad employees must be increased accordingly. "So I anticipate that by the first of November at least the board will have to be giving consideration to railroad employees on further requests for general increases."

Claims Board Is Unfair

Mr. Wharton objected repeatedly because Mr. Shea was comparing the hourly basic rates of foremen with the piecework earnings of shop employees, saying that if the comparisons were to be made the earnings should be used, not the rates. Mr. Shea said he never discussed earnings because they often resulted from excessive hours or mileage, but confined his arguments to the minimum basic rates, on the theory that the basis rate for eight hours and 26 days a month ought to produce an adequate earning. He insisted that the board was adopting a manifestly unfair attitude for the purpose of discrediting his presentation.

D. B. Robertson, vice-president of the firemen's brotherhood was put on the witness stand with an exhibit showing the expenses of firemen for meals and lodging while away from their home terminals. This covered 397 men, with an average expense of $34.08 per month, ranging from $15.50 to $55.50. One man reported 90 meals for a month and two beds a day, which aroused considerable discussion as to what kind of a run the man had. Mr. Shea tried to argue that an increase of $40 a month meant little to the firemen if they had to pay out $34 for living away from home, but members of the board remarked that only the increased cost of living away from home should be considered, because the expenses away from home had been considered in fixing the wage rates, and that, moreover, the majority of firemen do not regularly have as much expense as was reported. The demand presented by the brotherhood asks that the railroads provide meals and lodging away from home terminals or make an allowance in the form of an expense account.

Mr. Morse also made the point that the expense away from home is not always an extra expense to the single man. Mr. Shea retorted that that made no difference because a man may be single today but married tomorrow. "He may also be married today and single tomorrow," said Mr. Morse. When Mr. Shea argued that supervisory officials have expense accounts, Mr. Morse said that they work 12 to 14 hours a day without overtime, but Mr. Shea said it was generally difficult to find one at his office before 10 in the morning, or after 4 in the afternoon.

"We are now living in an advanced age," said Mr. Shea, "and labor is coming into its own now. Labor must have something to say regarding the conditions of employment and the salaries they receive and we must have a wage that is sufficient to maintain the American standard of living."

	Increase per month.	Per Cent Increase.
Supplement No. 4	$33.83	36.2
7	27.11	39.9
8	26.94	47.
13	44.93	57.1
14	25.65	35
15	51.14	36
16	49.50	42.1
17	28.07	54.9
18	28.88	60.4

Most of the time of the hearing was taken up with a technical discussion of the effect of various schedule provisions on earning power. Mr. Wharton put into the record a table showing the increase in percentages and in dollars and cents brought about by the general wage order and its various supplements for the various classes affected by the supplements, including the latest increase to the shop employees, as shown in the preceding table..

The exhibit showed the average earning prior to General Order No. 27 as $83.79 and the present average $118.24, per month.

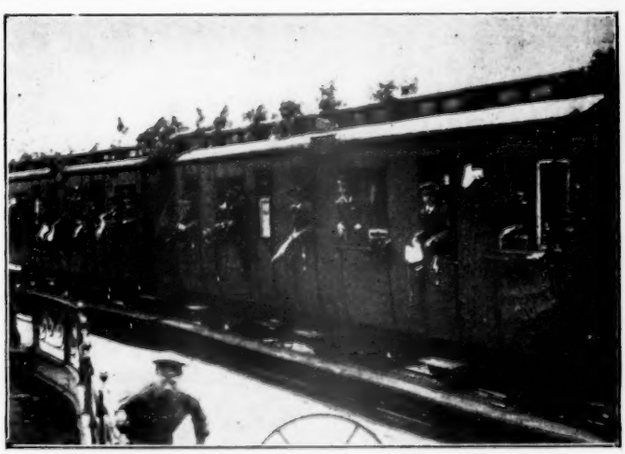
Men to Be Judges of Wages

Mr. Shea said he had read in the press that the management in New York had settled with the dock workers after they had been on strike several days by granting an increase of approximately 10 per cent. "I have been wondering," he said, "if it will be necessary for the Brotherhood of Locomotive Firemen and Enginemen to use this same method, or if we are to infer that the strike is the only way that we can hope to secure fair treatment and increases in wages and better conditions of employment. We have reached a point now in our industrial life where labor must be recognized. They must receive fair wages, fair treatment, and if they do not they are going to resort to other methods, and when they do the responsibility will not be placed on labor."

"I am wondering," asked Mr. Morse, "in connection with that statement, who are going to be the judges as to whether their wages are fair and the conditions are fair, the men themselves or some joint conference?"

"The men themselves, or as a group," replied Mr. Shea, "and when it can be shown that a class of working men in the employ of rich corporations are not receiving a wage sufficient to maintain themselves and their families then they are to be the judges as to what shall be fair rates, nobody else."

W. J. Lauck presented a statistical exhibit comparing the wages of firemen with those of other classes of employees. Chairman Wharton insisted that the present methods of compiling the statistics do not make it possible to make fair comparisons. Other witnesses representing the firemen's brotherhood were also heard on various phases of the demands, including a number of firemen. On October 20 Mr. Shea made a final argument reviewing the testimony that had been presented and the arguments for each of the articles in the demands and on October 23 and 24 Elisha Lee, chairman of a committee representing the regional directors, presented a statement in reply, presenting the position of the management as to each of the articles in the demand, whereupon the hearing was adjourned.



Arrival of the First German Prisoners at Stuttgart.

Meeting of General Committee, Mechanical Section, A. R. A.

THE GENERAL COMMITTEE of the Mechanical Section of the American Railroad Association held a meeting at the Hotel Traymore, Atlantic City, N. J., on October 23 and 24, at which, among other business, the plans for the next convention were laid. A joint conference was held with the executive committee of the Railway Supply Manufacturers' Association and a committee of the Hotel Men's Association of Atlantic City, and it was decided to hold the 1920 and 1921 conventions on Young's Pier. The dates selected for the 1920 convention are June 9-16. The first three days of this period will be devoted to papers on locomotive subjects and the last three to car subjects, consolidated committees reporting on Monday, June 14. An invitation was extended to Section VI, Purchases and Stores, to hold its convention simultaneously with Section III, in order that the members might avail themselves of the opportunity to visit the extensive exhibit.

Several new committees were formed and important changes were made in the personnel of others. The new subjects assigned to committees are as follows: Auxiliary or Safety Connections Between Engines and Tenders, M. H. Haig (A. T. & S. F.), chairman; Feed Water Heaters for Locomotives, F. M. Waring (P. R. R.), chairman; Engine Terminals, Design and Operation, C. E. Fuller (U. P.), chairman; Modernization of Stationary Boiler Plants, A. G. Trumbull (Erie), chairman; Repair Shop Layouts, I. S. Downing (C. C. C. & St. L.), chairman; Scheduling and Routing Systems for Locomotive Repair Shops, H. Gardner (B. & O.), chairman; Standard Method of Packing Journal Boxes on Freight Cars, C. J. Bodemer (L. & N.), chairman.

A new Committee on Couplers and Draft Gears was formed by consolidating the two committees on these subjects, R. L. Kleine (P. R. R.) being the new chairman. Duplication of committees of the Master Car Builders' Association and the American Railway Master Mechanics' Association has been eliminated by consolidating the committees on Specifications and Tests, F. M. Waring (P. R. R.) chairman, and on Standard and Recommended Practices, W. E. Dunham (C. & N. W.), chairman. The Arbitration Committee has been increased to eight members by the addition of J. E. O'Brien (M. P.), and T. H. Goodnow (C. & N. W.) has been appointed chairman.

New chairmen were appointed for other committees as follows: Committee on Loading Rules, R. L. Kleine (P. R. R.); Committee on Mechanical Stokers, M. A. Kinney (H. V.); Committee on Depreciation of Freight Cars, C. E. Chambers (U. S. R. A.); Committee on Prices for Labor and Material, G. E. Carson (N. Y. C.); Committee on Superheater Locomotives, H. R. Warnock (C. M. & Vt. P.). The Committee on Welding Truck Side Frames, Bolsters and Arch Bars was changed to the Committee on Autogenous and Electric Welding, and J. T. Wallis (P. R. R.) was appointed chairman. The Committee on Train Brake and Signal Equipment was enlarged and was assigned the subject of automatic hose connectors. The scope of the committee on Locomotive Headlights was enlarged to include also classification lamps.

The following subjects were assigned for individual papers: The Modernization of Existing Old Locomotives, to include a study of locomotive operation from the point of view of a large investment, G. M. Basford (G. M. Basford Company); Automatic Coal Weighing Devices for Locomotive Tenders, J. S. Spurway (secretary, New South Wales Government Railways and Tramways); Snow Fighting Apparatus, C. E. Fuller (U. P.).

The committee decided that the date effective of the specifications requiring boiler plate steel, flange quality, for tanks of Class III tank cars should be extended to December 31, 119. Arrangements were made to publish the specifications and standards of the former Master Mechanics' and Master Car Builders' Associations in a separate volume, as standards of Section III, Mechanical.

A committee consisting of A. W. Gibbs (P. R. R.), C. B. Young (U. S. R. A.) and V. R. Hawthorne (A. R. A.) was appointed to act as a conference committee with the American Society for Testing Materials. W. E. Dunham (C. & N. W.) was appointed to represent the Mechanical Section on the joint committee of the American Society of Mechanical Engineers to consider standard designs of pipe unions. The proposed amalgamation of the Master Car and Locomotive Painters' Association as the Equipment Painting Division of the Mechanical Section was approved.

The Rules of Interchange were approved with the changes recommended by the Arbitration Committee, the only additional change being the abolition of the differential between the labor rates on steel and wood cars and the increase of the labor rates from 58 cents to 67 cents an hour for freight cars and from 68 cents to 72 cents for passenger cars.

The management of the pier has agreed to enlarge the seating capacity of Convention Hall from 600 to 850.

The executive committee of the Railway Supply Manufacturers' Association, after the meeting at Atlantic City, announced the following committee appointments: Chairman of the exhibit committee, J. G. Platt, Hunt-Spiller Manufacturing Corporation, Boston, Mass.; chairman entertainment committee, W. K. Krepps, Crucible Steel Company of America, New York; chairman enrollment committee, C. H. Gayetty, Quaker City Rubber Company, Philadelphia, Pa.; chairman finance committee, George A. Cooper, Frost Railway Supply Company, Detroit, Mich.; chairman transportation committee, John C. Kuhns, Burden Iron Company, Troy, N. Y. The executive committee also re-elected John D. Conway as secretary-treasurer. In addition to the exhibits on the pier the usual track exhibit will be made on Mississippi avenue.

Hines Urges Early Railroad Legislation

DIRECTOR GENERAL HINES on October 7 sent the following letter to Chairman Cummins of the Senate committee and Chairman Esch of the House committee:

"I know that you are exceedingly anxious to press the railroad legislation to the earliest possible conclusion. It occurs to me that you may naturally find that there are legislators that have not followed the subject as closely as you have and who may not have an equal appreciation of the reasons why the public interest necessitates the earliest possible solution. I, therefore, write this letter to point out that delay in legislation will seriously impair the public service by virtually suspending improvements and the acquisition of equipment and by seriously imperiling the morale of the railroad organization.

"The difficulties I point out could not be obviated by the government remaining in control of the railroads from week to week pending adoption of the legislation, because the suspension of the improvement and equipment program and the impairment of morale could not be remedied by such a course.

"Pending the passage of railroad legislation uncertainty naturally exists. Such uncertainty makes it impossible for the government to plan or carry forward necessary additions and betterments and to acquire essential new equipment. And such uncertainty likewise makes it impossible for the railroad companies to make such preparations.

"In order to keep abreast of the growth of business in this country it is indispensable that the railroads should continue to spend large sums in the acquisition of new equipment, the enlargement and unification of terminals and the construction of additional and the enlargement of existing shops, engine houses, turntables, etc., and in the carrying forward of normal programs for the revision of grades, construction of additional main tracks, longer and more numerous passing tracks, etc.

"In the year or two prior to the beginning of federal control this work was largely arrested by the difficulties of securing materials and labor and also by the difficulty of securing new capital. During the year 1918 this work was largely restricted to things which could be promptly done and which would have a relation to winning the war and also restricted by the scarcity of materials. The result was that comprehensive programs for developing the railroads were largely interrupted. During the calendar year 1919 there has been unavoidably an almost complete stoppage of all these matters because of the prospect of early termination of federal control and the resulting indisposition on the part of Congress to make appropriations large enough to provide for extensive improvement programs to be carried on with government funds under the direction of the Railroad Administration.

"Hence a vast amount of work now remains to be done which the intervention of the war has necessarily delayed and accumulated and the result is that during the year 1920 very large capital expenditures ought to be made to make up for the interruptions inevitably due to the war and to prepare the railroads to serve adequately the increased traffic throughout the country. This is particularly true as to equipment, as it seems to be reasonably certain that in the fall of 1920 there will be need for materially more freight cars than will be available if the corporpations are not able promptly to make plans for the additional equipment which the government has been without provision to acquire.

"In order to make the necessary preparations for additions and betterments, including equipment, it is obvious that considerable time must be allowed for planning the improvements and for raising the money. Even the physical planning for the improvements cannot be successfully made until the legislation shall be determined upon and the improvements cannot be entered upon without knowledge as to how the money can be raised to pay for them, and the raising of the money will, of course, be dependent upon the fact and character of the legislation. Even 30 days' delay in the ability to make plans means a probably much greater delay in carrying the plans into effect, and if legislation should be so delayed as to prevent the definite making of plans until well along in the spring the probability is that the plans could not be carried out at all in time to meet the railroad traffic requirements in the latter part of the summer and fall of 1920.

"What I have said above with regard to capital expenditures of course does not affect the situation as to maintenance work on the railroads. The Federal Control Act and the contracts which the government has made with the majority of the railroad corporations imposes an obligation to return the railroads to their owners in substantially the same condition as they were in when they were taken over, and the Railroad Administration is carrying on its maintenance work on this basis.

"A different and entirely distinct element of great importance is the question of morale of the railroad forces. Undoubtedly uncertainty and suspense cannot improve morale and serious prolongation of uncertainty and suspense would very greatly impair morale. So far I feel both the railroad officials and the railroad employees are withstanding in a splendid way the injurious influences of uncertainty and suspense, but I am sure that it will become more and more difficult for both officials and employees to concentrate upon the present performance of their work rather than dwell upon the future condition of the railroad business and their relation thereto. This is an inevitable manifestation of human nature which is not subject to any criticism. But it is a fact and the sooner legislation can be completed the sooner can a favorable influence take the place of the unfavorable influence which the uncertainty is bound to breed.

"While I believe that you personally are fully alive to the importance of these factors, it has occurred to me that it might be helpful to you to have my views in regard to them."

Per Diem Reinstalled

Early in the present year the Railroad Administration issued instructions that cars be loaded in the direction of home, with a view to getting cars relocated on home lines to a larger extent. The conclusion has been reached that this policy will still further be aided by re-establishing the per diem rules whereby one railroad is required to account for per diem on cars used by it belonging to another railroad.

A general order making this requirement has therefore been issued. This order will not only promote the policy of the Railroad Administration, but accords with the wishes of the officers of the railroad corporations, who are anxious, as far as practicable, to get cars relocated upon home lines prior to the termination of Federal control.

The general order is as follows:

"Effective October 1, 1919, the following rules and regulations shall govern the accounting for the use of equipment of one carrier in federal operation by or for the account of another carrier in federal operation (cancelling instructions in conflict therewith in General Order No. 31).

"The practice of recording, computing and paying per diem, mileage, or rental for the use of freight and passenger train cars of one carrier in federal operation by or for account of another carrier in federal operation, and the adjustment of differences, reclaims, etc., between such carriers shall be reinstated, in accordance with such detailed instructions as may be issued by the Division of Operation, Car Service Section."

Commissioner McChord on Railroad Credit

COMMISSIONER MCCHORD has submitted a memorandum to the sub-committee of the House Committee on Interstate and Foreign Commerce, which has been working on the railroad bill, referring, as he says, to a statement made by Judge R. S. Lovett to the House committee "in effect that he had seen statements from four of the present members of the Interstate Commerce Commission wherein they declared that they did not know of the existence of any problem of railroad credit."

Judge Lovett's statement, as it appears in the printed record of the hearing, was: "I have seen statements, some of them in the newspapers, where three or four members of the commission as now constituted apparently do not realize or appear not to be aware of, the existence of any problem of railroad credit."

"I have no idea to whom or to what statements reference is made," Commissioner McChord says. "If he has reference to statements in decisions of the commission in various advance rate cases wherein at least four commissioners took the position that there was no good reason for decline of railroad credit, it appears that these discussions were with respect to the cause of the decline. Nowhere do I find a

denial of the fact that there had been a decline of credit.

"So far as I can recollect, I have never in public or private statement announced that railroad credit is not a problem that must be considered. I have from time to time expressed my surprise at the continual announcement of high officials in railroad circles that railroad securities were no longer worthy of consideration from a safe investor's standpoint. I have pointed out that the propaganda directed against the value of these securities in the first instance had reacted so as to unnecessarily depress railroad credit. I also pointed out that while this was going on railroad earnings had increased."

"I have also pointed out that while under federal control the income of the railroad companies is based on the operating income they received for the three fiscal years of 1915, 1916 and 1917. They are insured that income no matter what has been or what may be the conditions of traffic. Under the law their properties are to be returned to them in as good physical condition as when they passed to federal control.

"That the net income the railroads now receive is based on the highest average earnings they have ever received in any three-year period. The average yearly return on which payment is now made is approximately $936,000,000."

Commissioner McChord's memorandum also includes tables of statistics to support his contention. He shows that the average income for the three years, 1912, 1913 and 1914, was $761,938,378, while for the three years, 1916, 1917 and 1918, the average was $939,809,635, or about $3,000,000 more than the guaranteed income.

"The income from operation in the calendar year 1918 was $29,874,077, or 3.9 per cent less than the average for the three years, 1912, 1913 and 1914; $21,967,175, or 2.9 per cent less than the average for 1913, 1914 and 1915, while the average income for the calendar years 1916, 1917 and 1918 exceeds that for the fiscal years 1912, 1913 and 1914 by $177,875,257, or 23.4 per cent.

"It is true there has been an increase in capital issues and property investment since 1912. From reports of the railroads to the commission the average percentage of operating income to the average outstanding capital for the three fiscal years 1912, 1913 and 1914 was 3.98 and to property investment 4.59. The average percentage of operating income to the average outstanding capital for the calendar years 1916, 1917 and 1918, was 4.75, and to property investment, 5.08. This shows that the percentage of operating income to capital increased .77 per cent and to property investment .49 per cent.

"From the returns already received, which include only a few of the roads of the country, it appears that the credit balances will be as large on January 1, 1919, as on January 1, 1918. During the year 1918 dividends were paid in substantially the same amount as during the previous year, while the roads were under private management. The guaranteed operating income for 1919 will be approximately the same as received in 1918. Add to this the corporate income for the year, and the credit balance of the railroads as a whole will be substantially the same on January 1, 1920, as on January 1, 1918."

Regarding estimates based upon the earnings of the first six months of this year that the earnings of the carriers will fall short of the government guaranty of variously estimated amounts, Commissioner McChord points out that for the years 1912 to 1918, inclusive, the actual railway operating income for 12 months was considerably in excess of what it would have been based on the first six months. In conclusion, he says:

"I am unable to appreciate how such statements of facts can be tortured by anyone to mean that I have not and do not recognize that railroad credit has nevertheless declined and that there is a problem as to railroad credit.

"I have repeatedly asserted that whatever decline there was in railroad credit, previous to federal control, was not due to any action of the Interstate Commerce Commission.

"My attitude and my assertions were in refutation of the repeated declaration that the railroads of the country were, or are, in a state of bankruptcy. It has been my effort to defend the railroads as against their traducers."

Regional Director Markham Resigns

CHARLES H. MARKHAM, director of the Allegheny region, has resigned from the Railroad Administration to return to the presidency of the Illinois Central. He is succeeded by L. W. Baldwin, operating assistant.

Mr. Markham was president of the Illinois Central when the railroads were taken over by the government in January, 1918. At the request of William G. McAdoo, then director general, Mr. Markham became director of the Southern region, with office at Atlanta, Ga., the country at that time being divided into three regions only, the Eastern, the Southern and the Western. In June, 1918, when the Allegheny region was formed, Mr. Markham was appointed director of this region, with office at Philadelphia, Pa. This region takes in, roughly, the territory south of New York and north of Washington, from the Atlantic seaboard to



C. H. Markham



L. W. Baldwin

Pittsburgh, Wheeling and Erie, the Pennsylvania, the Philadelphia & Reading and the Baltimore & Ohio being the largest roads. In the beginning the Allegheny region included the Pennsylvania and the Baltimore & Ohio only as far west as Pittsburgh and Wheeling, but in December last the operating departments being free from the stress of war conditions, the western lines of both companies were taken out of the Eastern region and added to the Allegheny. This was the most badly congested region in the country when Mr. Markham assumed jurisdiction in June, 1918, and the operating conditions were described at some length in the *Railway Age* of August 23, 1918, page 331. Something more was required than a good operating man for the straightening out of the railroad situation in the Allegheny region at that time. It is probable that Mr. Markham was selected not only for his general railroad knowledge and experience, but for his diplomatic abilities as well.

When Mr. Markham was elected president of the Illinois Central the morale of that company was shaken. The ousting of Stuyvesant Fish a few years before had left an organization somewhat uncertain in its loyalty to the succeeding president, J. T. Harahan, and manipulation of car repair bills by certain officers later tended still further to weaken the organization. Moreover, the Illinois Central

had serious difficulties with some classes of employees and went through a rather severe strike of boilermakers. Under the management preceding Mr. Markham the southern end of the road had been left to itself and the relations between the company and its patrons were not as good as they should have been.

In his handling of this situation, Mr. Markham showed great tact and remarkable patience. The Illinois Central had been, under Stuyvesant Fish, one of the financially strongest roads in the country. Under the Harriman-Harahan management this credit was preserved, but the cash position of the road when Mr. Markham took it needed strengthening. Strikes did considerable damage and there was one year in which the Illinois Central was somewhat hard pressed to pay its dividends. During this trying period no ill-considered move was made in an attempt to temporarily better conditions. Underlying causes were studied and remedies were applied to eliminate the cause of troubles rather than to cover up the symptoms. When Mr. Markham turned over the Illinois Central to the government it was in good shape physically; it had a loyal organization, and its patrons, both on the north and south lines, were entirely friendly.

Under Mr. Markham's directorship, congestion in the Allegheny region was entirely cleared up and even before the signing of the armistice order had been brought out of chaos. Coal, iron and steel and the supplies for the American Expeditionary Forces were moving freely to the seaboard. With the great let-down in traffic which followed the signing of the armistice a new problem arose for both the director of the Allegheny region and the director of the Eastern region. This was the equitable routing of what traffic there was between the different roads within the two regions. The return of competitive conditions was in sight and naturally the corporate officers of the different properties watched with a jealous eye the routing of all important traffic. In this situation Mr. Markham's diplomatic qualities probably stood him in good stead, although under any circumstances it was a rather trying position.

Mr. Markham is succeeded by L. W. Baldwin, who has been his operating assistant. Mr. Baldwin, like Mr. Markham, served in the Southern region before going to Philadelphia. He is best known as an officer of the Illinois Central, for which company he served about 19 years, mostly in the roadway department. Mr. Baldwin was born in Waterbury, Md., in 1875, and was graduated from Lehigh University, South Bethlehem, Pa., in 1896. He entered the service of the Illinois Central in that year, and soon was made assistant engineer. In 1900 he was supervisor of track, and for three years, 1901-1904, was roadmaster. Then for two years he was trainmaster, and in 1906 was superintendent. In 1910 he was appointed engineer of maintenance of way, with office at Chicago. In April, 1913, he was appointed superintendent of the Kentucky Division, and in January, 1915, was promoted to the position of general superintendent of the southern lines of the Illinois Central with headquarters at New Orleans, La. On November 15, 1915, he resigned his position on the Illinois Central and went to the Central of Georgia as general manager, and a year later was elected also vice-president of that road. He was drafted into the service of the Railroad Administration in February, 1918, being made operating assistant to the regional director at Atlanta.

The movement of freight over the Pittsburgh Division of the Pennsylvania Railroad for the first fifteen days of September, counting both eastbound and westbound was 6,991 cars (loaded and empty); which is an increase of 32 per cent over the average in April last. On September 15 the number of freight cars moving westbound past Gallitzin was 4,802, or 35 cars more than the highest previous record which was for April 10, 1916.

American Manufacturers' Export Association

THE AMERICAN MANUFACTURERS' EXPORT ASSOCIATION held its tenth annual convention at the Waldorf-Astoria Hotel, New York, October 16 and 17. The first day of the session was devoted to a consideration of trade with eastern and central Europe, including in particular Russia, the Central Empires, the Near East and the "new states." The second day of the meeting was devoted to more general topics, sessions being held on "Our Diplomatic and Commercial Service Under New World Conditions" and on "Our International Financial and Commercial Policies." The annual banquet, Friday evening, was addressed by representatives of the French, British and Italian governments, by William C. Redfield and others.

A number of important points were brought out at the general sessions, among them in particular being the matter of the low salaries paid consular representatives and the difficulty resulting therefrom in getting and keeping good men. Speakers also referred to the present difficult exchange situation, the matter of credits to cover sales abroad and the steps that were being taken to overcome our present disadvantages.

Those who spoke on our trade relations with Russia, the Near East and the so-called new countries, brought out that these countries should prove large markets for American goods and that the American business man would be well repaid in investigating these countries, in following their reconstruction work, and in carrying out development work which, although it might not pay at the start would be well worth while in the long run.

A number of the speakers referred to the lack of transportation facilities in the several countries and the large amount of equipment needed to bring the railway lines up to proper standard.

Poland

In speaking of Poland, G. Barthel de Weydenthal, acting consul general of Poland, said:

"The Poland of today has a population in excess of 35,000,000 and an area greater than that of Italy. Warsaw, its capital, has a population of upward of 1,000,000, and has rightly been termed the 'Hub of Central Europe.'

"One of the most crying needs of Poland today is adequate transportation facilities. The railroads of Poland, before the war, were in the hands of the several imperial governments, and their development was regulated almost entirely by strategical considerations, absolutely no attention being given to the interests of local population or commercial needs.

"In the United States, where so much importance is attached to railroad building, it is almost inconceivable that the total length of railways in Poland does not amount to more than 12,150 miles, or seven miles on every hundred square miles of territory. Most of the railroad development has been concentrated in former Prussian Poland where, in pursuance of its policy of aggression, the imperial German authorities laid out a railroad net for their own ambitious interests. The total length of railroads in former Prussian Poland is about 4,500 miles or, roughly, 15 miles for every hundred square miles of territory.

"Just the opposite policy of preventing railroad construction was always pursued by the Russian government and a lamentable scarcity of transportation was the result. In this section the total length of railroads does not exceed 5,000 miles, or 4.5 per hundred square miles of territory.

"The Polish railroad administration has already taken steps to remedy the situation: New lines, as a part of a comprehensive system, are now in course of construction, and electrification on a larger scale is under consideration.

. . . The present time is ideal for an extensive railroad, waterway and road construction program. Little doubt exists but that American capitalists could accomplish extraordinary results through a concentration of efforts in this formerly neglected country."

Jugo-Slovakia

"The kingdom of the Serbs, Croats and Slovenes is a new state, combined of the Kingdom of Serbia, Kingdom of Montenegro and the provinces inhabited by the Serbs, Croats and Slovenes, which formerly belonged to Austria-Hungary," said Aco Despitch of the Royal Serbian Trading Agency.

"The area of this new state is about 100,000 square miles, corresponding to the combined area of Pennsylvania, Ohio and Maryland. The population is about 13,000,000, the combined population of Pennsylvania and Ohio. The density of population is about 130 per square mile, as compared with Pennsylvania's density of 200 per square mile. There are 2,000 miles of railways and about 12,000 miles of roads. Both railways and roads need to be thoroughly repaired."

Russia

"Russia," said Dr. Joseph M. Goldstein, professor of political economy of the University of Moscow, "with a population of 160,000,000 has a railway mileage not much in excess of that of Canada with a population of only 8,000,000."

Russia, he said, to raise her economic productivity to the level of even so backward a country as Austria-Hungary was before the war, will have to expend in the next ten years a sum of no less than $56,000,000,000, of which $5,500,000,000 is for new railroads and $3,500,000,000 for equipment. The former amount for new railroads is figured on the basis of the construction of 3,500 to 4,000 miles yearly for ten years, a total of 35,000 to 40,000 miles at $150,000 a mile. The $3,500,000,000 for new equipment includes expenditures for new freight and passenger cars, and repair of old locomotives and cars.

W. L. Saunders, chairman of the board of the Ingersoll-Rand Company, New York, was elected president of the association.

Wheat Transportation Limited by Elevator Capacity

Director General Hines on October 9 authorized the following statement regarding the difficulties being experienced in the handling of wheat:

"My associates and I have been and are giving most earnest consideration to the transportation of wheat, but it is important to have it clearly understood that the present inability to transport the wheat is due to causes which the Railroad Administration cannot control. On May 20 and again on May 29 the Railroad Administration issued notices to the public that in view of an expected large crop of wheat and the necessity of utilizing all available railroad equipment to the fullest possible extent, the wheat crop would have to be handled under the permit system under which wheat would not be accepted for transportation until there were facilities for unloading it at destination. The permit system, which is administered in connection with the Grain Corporation, was put into effect in accordance with public notice on August 1, and since that time permits for the shipment of wheat have been issued only when there were facilities at destination for unloading it.

"The reason the Railroad Administration has not been supplying more cars for wheat is that the elevators are full at the proposed destinations and consequently the wheat could not be unloaded from the cars. It is absolutely necessary to avoid a situation where vast numbers of railroad cars would be filled with grain which could not be disposed of at destination, because this would result in practically taking the cars out of transportation service and using them for storage and depriving the public generally of cars which are badly needed for business of every sort. The Railroad Administration is prepared as an emergency measure to provide ample freight cars to take care of all wheat that can be unloaded out of the cars at destination, giving preference to wheat on the ground. The situation thus becomes one of finding elevator capacity to take care of the wheat at destination. My associates and I are using every endeavor to improve this situation through co-operation with the United States Grain Corporation and that corporation is following up the matter in a most active way. It must be appreciated, however, that there are world-wide limitations upon the extent to which grain can be immediately moved out of the elevators on account of conditions in the foreign markets and conditions of ocean shipping and it will be exceedingly difficult to overcome these limitations. Just as fast as elevator capacity can be provided at destination, the Railroad Administration proposes to give preference to the wheat movement and furnish the cars to move it, but it would make the situation worse and greatly injure transportation generally to tie up cars by loading them with wheat which could not be unloaded at destination."

Roads Earned $16,000,000 in August

The Operating Statistics Section of the Railroad Administration has published figures covering the financial results of operation for the month of August for all Class 1 Roads in federal operation. These comprise 231,964 miles of road, or 97 per cent of the total of 240,177 miles of road federally operated.

The condensed income account is as follows:

	August.		Increase or Decrease.	
	1919.	1918.	Amount.	Per cent.
Operating revenues	$464,550,969	$497,689,570	D.$33,138,601	D.6.7
Operating expenses	353,416,001	354,682,438	D. 1,266,437	D.0.4
Net operating revenue	111,134,968	143.007,132	D.31,872,164	....
Taxes, rents, etc.	20,485.967	16,324,502	4,161,465	....
Net operating income	90,649.001	126,672,630	D.36,023,629	....
Operating ratio	76.1	71.3	4.8	....

Note.—*D.* indicates decrease.

One-twelfth of the annual rental due the companies covered by the report amounts to $74,352,976, so that the net profit to the government was $16,296,025 for these properties. In this connection, however, it should be observed that the August expenses do not include the increases in wages recently granted the shopmen which are retroactive to May 1, 1919. It is estimated that these increases will amount to approximately $4,000,000 per month. Freight and passenger rates are on substantially the same basis in both years. The expenses in August, 1918, include about $19,000,000 back pay applicable to prior months, but they do not on the other hand reflect the increases to agents, telegraphers, trackmen, clerks, enginemen and trainmen, granted subsequent to August, 1918, which are included in the August, 1919, expenses.

The condensed income account for the eight months ended August 31 is as follows:

	8 Months Ended Aug. 31.		Increase or Decrease.	
	1919.	1918.	Amount.	Per ct.
Operating revenues	$3,238,744,231	$3,017,761,965	$220,982,266	7.3
Operating expenses	2,763,103,717	2,457,633,745	305,469,972	12.4
Net operating revenue	475,640,514	560,128,220	D.84,487,706	..
Taxes, rents, etc.	151,326,023	144,976,921	6,349,102	..
Net operating income	324,314,491	415,151,299	D.90,836,808	..
8-12 of annual rental	594,823,808	594,823.808	.....	..
Operating loss	270,509,317	179,672,509	90,836,808	..
Operating ratio	85.3	81.4	3.9	..

The comparison between the eight months' period is substantially affected by the fact that the rate increases, approximately 25 per cent, which were in effect this year, became effective for passenger and freight traffic, respectively, the middle and latter part of June, 1918.

Director General in Charge of Coal Distribution

Coal Stocks Will Last at Least a Month; Locomotives May Be Converted to Burn Oil

IN ADDITION TO HIS FUNCTIONS as director general of some 230,000 miles of railroad, Walker D. Hines has taken over a large part of the functions formerly exercised by the United States Fuel Administrator.

Because of the vital interest of the railroads in an adequate supply of fuel, without which they could not serve other consumers, and also because they already had an organization in the field, as well as a directing organization at Washington, whereas that of the Fuel Administration had been practically disintegrated, the Railroad Administration, in anticipation of the coal strike, was given the important function of allocating the available fuel supply, or that which is available for distribution to other consumers after the essential needs of the railroads have been supplied.

The orders and regulations of the Fuel Administration had never been cancelled but had been merely suspended on January 31 last, and although the organization of the Fuel Administration had ceased to function, Dr. Garfield's resignation had not been accepted. Dr. Garfield was called to Washington for consultation on the plans for dealing with the coal strike situation, and it was a simple matter to issue an executive order reinstating his former regulations, after which he issued another order designating Director General Hines and his representatives to carry the orders into effect so far as the distribution and allocation of coal was concerned. The Department of Justice was given charge of enforcing the maximum price regulations.

Coal in Transit Commandeered

Director General Hines on the day before that set for the strike had issued orders to the regional directors authorizing them to commandeer all coal in transit which should be necessary to the establishment of proper reserves, making exemptions in accordance with the old priority list of the Fuel Administration, and on November 1 Mr. Hines announced the organization of a central coal committee at Washington and regional and district coal committees at other points to handle the distribution.

For several weeks prior to the strike the Railroad Administration had been putting forth every effort to transport a maximum of coal, both in order to overcome the shortage in production during the first part of the year and by way of preparation for the strike, and for two weeks before the strike preference was given to the coal traffic in order to get as much coal away from the mines as possible. Open top equipment was devoted to coal loading to the exclusion of other classes of traffic and the movement of such equipment was expedited.

On October 16 Director General Hines held a meeting with the western regional directors in Chicago and conferred by telephone with those in the east on the coal situation, as a result of which instructions were issued to railroads serving coal mines to make preferential efforts to furnish mines with empty coal cars up to the ability of the mines to load daily and to non-coal loading railroads to deliver daily to their nearest coal loading or coal route connections empty coal cars up to the maximum ability of the connections to receive them. Instructions were also issued on the same day to the effect that open-top cars should be immediately withdrawn from non-coal service in numbers sufficient to permit placement at mines and deliveries to coal loading connections as required, also that consignees not unloading coal within 24 hours after cars were placed for unloading so that the cars could be returned to the mines should have no additional cars placed for unloading. The result of these instructions was indicated by a large increase in production during the week ending October 25, estimated at 13,118,000 net tons, the highest week's record this year.

Up to October 30, the day before the strike, the Railroad Administration had permitted coal to go to the designated consignees in order to interfere as little as possible with the normal course of distribution of coal traffic. After it became certain that the strike order would not be recalled, however, and it became necessary to be prepared to insure against all temporary contingencies in order that the transportation service might be protected, Mr. Hines announced that the regional directors had been instructed to accumulate a necessary reserve of coal when it was not already on hand, purchasing it, if possible, and otherwise holding coal in transit. Mr. Hines' instructions were that in holding such coal exceptions should be made as far as possible of coal destined to certain classes of consignees in the order of priority adopted during the war by the Fuel Administration. Coal held in transit was not to be unloaded from storage nor used until actually needed, so that if its use was later found unnecessary, it could be forwarded to destination whenever practicable.

The instructions issued also provided that there should be as little disturbance as possible in the distribution of coal, but that the necessities of the railroads, which have a public duty to perform, should be protected.

During the first six months of this year an abnormally small amount of bituminous coal had been mined and transported because of the lack of demand. The demand began to improve in June and July. Slight car shortages for the movement of bituminous coal began to become evident in June and became more pronounced about July 15. In a statement sent to the Senate under date of August 14, in response to a Senate resolution, Mr. Hines said that he did not anticipate any shortages in transportation which would be in any sense exceptional or abnormal, or which would justify oppressive prices for coal. On September 4 he appeared before a sub-committee of the Interstate Commerce Committee of the Senate investigating the coal problem, and stated that the Railroad Administration would be able to transport the necessary coal and that the Railroad Administration proposed to adopt whatever expedients were necessary to accomplish that purpose. He called attention to the fact that while the highest production that had ever been made in a week was 13,000,000 tons, the highest that had been averaged for any considerable period of weeks was something over 11,000,000 tons.

Speeding Up Coal Production

Up to September not exceeding 10,000,000 tons of bituminous coal had been transported per week. The Railroad Administration early in September instructed that the railroads endeavor to provide transportation for 11,000,000 tons per week.

Reports for the week ended November 1 show that railroad cars were supplied for practically all bituminous coal offered. Bituminous coal mines in the Eastern, Allegheny, Northwestern, Central Western and Southwestern regions during the week mentioned had 100 per cent car supply and in the Pocahontas and Southern regions car placements were 96 per cent of cars ordered.

Restrictions resulting in curtailment of car supply for the loading of stone, sand and gravel which were placed in

effect temporarily to enable the full loading of bituminous coal were removed on October 30, after it was determined that requirements for bituminous mines were fully protected up to November 1.

On October 31 President Wilson, at the advice of Dr. Garfield and members of his cabinet, and in accordance with the plans arranged at previous conferences, signed an executive order revoking the orders of January 31 and February 20, 1919, which had suspended the previous rules, regulations and proclamations relating to the fixing of prices, the production, sale, shipment, distribution, apportionment, storage and use of coal, and restoring to the extent necessary the orders fixing prices of bituminous and lignite coal at the mines, fixing or regulating the commissions of middlemen, and fixing or regulating the gross margins or prices of wholesale and retail dealers in bituminous or lignite coal. The Fuel Administrator was also authorized to restore, change or make such other rules or regulations as in his judgment might be necessary.

On the same day Fuel Administrator Garfield issued a detailed order, and Director General Hines gave instructions through the regional directors to put its provisions into effect immediately.

Railroad Administration in Charge of Distribution

Mr. Garfield's order restored the order of January 14, 1918 and portions of the order of May 25, 1918 setting up preference lists and designated Mr. Hines to carry out the former.

Dr. Garfield explained that it would have required too much time to set up the old machinery of the Fuel Administration, so it had been decided that the Department of Justice would have charge of seeing that the maximum price list is observed and the Railroad Administration, with its staff already in the field, would direct the distribution. For the present, he said, no action would be necessary with reference to anthracite coal, but on November 5 President Wilson issued orders giving Dr. Garfield authority to reinstate the regulations and maximum prices as to anthracite coal if it should become necessary.

Method of Distributing Coal

The following is an outline, as announced by the Railroad Administration on November 1, of the instructions governing the procedure to be followed in the handling of commercial coal diverted in accordance with instructions of the Director General under the authority conferred by the fuel administrator:

1. Bituminous coal, including lignite, taken and held in accordance with the instructions of the director general of October 29 and 31, or thereafter, will be handled by the director general and the regional directors through the agency of a central coal committee at Washington and regional coal committees which will be established jointly by the regional directors and the fuel administration. Such regional coal committee will comprise the following representatives: one appointed by the United States fuel administrator and such others as the regional director may select to handle in matters of purchase, distribution and accounting.

2. The bituminous coal held must be distributed only to those consumers who have no reserve supply and must have coal to meet their emergency needs. The following order of preference shall govern the regional coal committee in suuh distribution as they may make within their jurisdiction for emergency consumption in the United States and Canada: (a) Railroads. (b) Army and Navy, together with other departments of the federal government. (c) State and county departments and institutions. (d) Public utilities. (e) Retail dealers. (f) Manufacturing plants on War Industries Board's preference list. (g) Manufacturing plants not on War Industries Board's preference list. (h) Jobbers. (i) Lake. (j) Tidewater.

3. When commercial coal is diverted to other than original consignee, promptly notify shipper and original consignee of each car and keep adequate record for later settlement.

4. Originating coal roads should hold a considerable portion of the commercial coal near coal waybilling points, available for prompt distribution.

5. Intermediate and terminal carriers should, as far as practicable, move commercial coal to, and hold it in the vicinity of, points most convenient for prompt rehandling and distribution.

6. Coal must not be delivered to commercial consumers either in accordance with the priority list (established in Rule 2) or otherwise, except with specific authority from the coal committee having jurisdiction.

7. Regional directors will immediately notify each railroad under federal control of the regional coal committee with which it shall deal.

8. Each railroad shall report at once to the central coal committee and to the regional coal committee the name, title, location and telephone address of the representative in whom this whole matter will be centered for that railroad.

9. In order that the central coal committee may be informed of the requirements for coal in each region and of the necessity for transferring coal from one region to another, each regional coal committee will make such daily reports to the central coal committee as are provided for herein and may be called for from time to time.

10. Each railroad (or each grand division of a railroad) shall report daily by wire to the regional coal committee, to be received not later than 9:00 a. m., information as to its coal situation for the 24 hours ending at 1:00 a. m., that day.

11. Each regional coal committee will report daily by wire to the central coal committee, as promptly as information is available, a summary of the coal situation for the 24 hours ending at 1:00 a. m., that day.

12. Applications to regional coal committees for delivery of coal to commercial consumers must be made through the railroad which will make delivery of the coal; such applications must show complete and accurate information with respect to the preferred nature of the requirements, the amount of coal which the applicant has on hand, and the amount which the applicant requires for the preferred use, together with the rate of consumption and the kind and size of the coal desired, all as set forth in Form C attached hereto.

13. Each regional coal committee will apply a consecutive number to all orders authorizing the delivery of coal, and compliance with such orders must be reported promptly by the railroad to the regional coal committee.

14. Coal diverted for commercial uses shall be paid for in accordance with the fuel administrator's order dated January 14, 1918. In order to insure payments coal shall be diverted for commercial use to such applicants only who shall satisfy the federal or general manager of their financial responsibility or who shall deposit a certified check or other satisfactory security in such sum as will insure full payment for any coal furnished. The applicant shall make definite written obligation to pay the shipper for the coal promptly upon presentation of bill. The legal transportation charges, including war taxes, from mines to point of delivery to the applicant, will be collected on delivery in the usual way.

It was announced that where other priorities had been taken care of and the requirements of the railroads had been provided for, ships would be given bunker coal sufficient to take them to the first fuel station en route to destination. The Shipping Board on November 3 issued an order cutting off the export of coal and on November 6 the Central Coal Committee ordered that the supply of coal to foreign-owned ships in American ports be stopped immediately.

Passenger Train Service Curtailed.

The regional directors were given authority to curtail passenger train service if necessary, and a few trains were taken off, although partly in accordance with seasonal reductions in schedules. Some complaints were received because of the taking off of trains and some because trains were not taken off. The fuel administrator of Iowa sent a telegram saying that he did not believe "there is any law in peace times that will deprive the citizens of Iowa of heat, water, health and happiness in order that the Railroad Administration may be allowed to run luxurious California trains over the state and continent."

Mr. Hines on November 6 authorized the following:

"The machinery set up by the Railroad Administration to distribute the coal held in transit by the railroads in accordance with the directions of the Fuel Administrator is in full operation, and, as a result, wherever possible coal is being distributed in accordance with the priority list established by the Fuel Administrator where such coal is absolutely needed. Therefore, where there is real need for coal, the problem should be taken up immediately with the railroad ordinarily supplying the coal and every effort will be made by such railroad to meet the demand. It is, of course, essential both because of the present bituminous coal strike and in order that the needs for the coming winter may be looked after, that fuel be used as economically as possible. It should also be remembered that the railroads did not interfere with the delivery of coal to designated consignees until the day before the present strike began. In order to conserve coal as much as possible, regional directors of railroads have been given authority wherever it seems absolutely necessary to eliminate for the time being train service, but in order to provide for the essential business needs of the country, no general curtailment of train service is contemplated. The maintenance of the public transportation service is of paramount importance in order to serve the countless needs of the general public, and the interruption of that service should be minimized as far as possible."

Although the Railroad Administration has not made public figures showing the amount of its coal stocks on hand, it is understood that the supply is sufficient to last for at least a month.

Locomotives May Be Converted to Oil Burners

If the strike of the coal miners should be sufficiently protracted to reduce seriously the available supply of fuel, a large number of locomotives could be converted to burn oil instead of coal on fairly short notice, according to information gathered by the mechanical department of the Railroad Administration. Without expecting that such a contingency should arise, an investigation has been made of the possibilities which shows that a locomotive could be converted to an oil burner in about 10 days in any of the principal shops of the railroads or the locomotive companies, and that about 250 could be converted per week. It would also be possible to obtain the use of about 1,200 acid tank cars which were used by the ordnance department of the Army, of 7,000 gallons capacity, which could be readily converted for use in transporting an oil supply. It is understood that a considerable number of industries have been making investigations of the possibility of changing from coal to oil if necessary.

The central coal committee consists of: H. B. Spencer, director of the Division of Purchases, chairman; Brice Clagett, assistant to the director general; S. Porcher, assistant director of the Division of Purchases; B. P. Philippe, fuel distributor; E. J. Roth, manager stores section; F. C. Wright, assistant director, Division of Operation; A. G. Gutheim, assistant manager, car service section; F. M. Whittaker, manager inland fuel traffic; S. H. E. Freund, assistant general counsel, and H. Y. Saint, representing the Fuel Administration.

The list of regional coal committees is given herewith:

Southwest Region, St. Louis, Mo.—P. H. Greenlaw, chairman; C. A. How, Z. W. Brice, J. G. Livengood.

Southern Region, Atlanta, Ga.—A. M. Smith, chairman; J. J. King, Horace Epes, F. H. Fechtig, S. L. Yerkes, G. W. Lamb.

Northwest Region, Chicago, Ill.—T. W. Proctor, chairman; Geo. W. Reed.

Central Western Region, Chicago, Ill.—B. J. Rowe, chairman; P. Hunter, F. C. Honnold.

Eastern Region, New York City.—G. N. Snider, chairman; A. K. Morris, R. D. Starbuck, A. E. Russell, E. B. Wight, H. L. Ingersoll, J. W. Searles.

Allegheny Region, Philadelphia, Pa.—J. B. Fisher, chairman; E. H. Bankard, W. S. Yeatts, J. W. Laurel, C. C. Foedisch.

Pocahontas Region, Roanoke, Va.—D. E. Spangler, chairman; E. J. Howe, F. L. Poindexter, E. T. Burnett, J. W. Coxe, T. D. Hobart.

At the conference on November 14, after considerable preliminary sparring, an agreement was reached to proceed with negotiations on a wage scale for the central competitive field, to be followed by negotiations to cover the other fields.

Director General Hines announced that the strike order having been rescinded, the Railroad Administration had completed plans for releasing coal held under authority of the Fuel Administrator just as rapidly as additional coal is produced. There was some shortage of coal in the Southwest, and these needs would be cared for at once, coal now being in movement to that region.

The object of diverting the coal in the possession of the railroads, he said, was to continue the operation of the railroads which were first on the Fuel Administrator's priority list and at the same time to supply needed coal to other domestic consumers. The need for coal by consumers other than the railroads began to be felt on November 6, although before that time some coal had been released on a showing that it was needed. In the period from November 6 to November 9, inclusive, a total of 2,655,300 tons of bituminous coal, or an average of 663,575 tons per day, was released by the railroads to consumers other than railroads, while during the same period a total of 1,442,100 tons of bituminous coal was loaded, or an average of 360,525 tons per day, the coal released to domestic consumers other than railroads in that period being an excess of 1,213,200 tons, or an average excess of 303,050 tons per day above the amount of bituminous coal loaded in the same period.

It was estimated that the reserve stocks held by the railroads and under the supervision of the central coal committee when the strike was called off amounted to slightly less than 15,000,000 tons, or about a 30-day supply.

The production of bituminous coal in the week of November 8, during which the strike was in progress, was estimated at 3,477,000 tons, or approximately 29 per cent of the average for the four weeks ending October 25, in which production was at the highest rate attained this year, according to the Geological Survey report. As indicated in the reports from the mines for the week of November 1, this production was outside of the central competitive district, which includes Illinois, Indiana, Ohio, and Western Pennsylvania. The union fields were almost completely shut down, the open-shop districts but partially, and the non-union fields little, if any, affected. Thus production was maintained in the general territory extending from parts of Western and Central Pennsylvania, south to Alabama, in Western Kentucky, Utah, Colorado, and New Mexico. The only fields normally supplying the upper and central Mississippi Valley markets at work were those in southern West Virginia and Kentucky.

Production in the week of November 8 was, of course, the lowest recorded in recent years, for no strike has ever before affected all union mines at the same time as has this one.

The daily average output in the week, of 580,000 tons, was 54 per cent greater than on Saturday, November 1, the first day of the strike.

The strike became effective at midnight, October 1, and the reports for the week ended November 1 thus include five days of work and one day of strike in those fields which have been affected. For the week as a whole and in the last five days of October in particular the bituminous mines enjoyed the best car supply of which there is definite record in a period of active demand and full labor supply. The average loss of time on account of car shortage for all mines reporting was but 3.4 per cent, and in most fields car shortage was so small as to be negligible. The performance of the railroads in that week is noteworthy when it is understood that under the item of car shortage is included all transportation disability that curtails the output of coal; such items as derailment, congestion of loads on tracks, etc., which to a limited extent will always prevent the prompt service of cars to mines, no matter how many empty cars may be available nearby the mines.

Strike of Bituminous Miners Called off

Government Uses Full Powers to Prevent Shortage of Fuel and Stoppage of Transportation

THE STRIKE OF MINERS AND MINE WORKERS in the bituminous coal fields, called by the United Mine Workers of America, encountered the full force of the law when Judge A. B. Anderson, of the United States district court at Indianapolis, on November 8, issued a mandatory injunction enjoining the union leaders from permitting the strike order to remain in effect and commanding them to issue a withdrawal and cancellation of the strike order by 6:00 p. m., November 11.

Declaring that the government and laws of the United States are supreme, even above the dictates of the leaders of organized labor, the court pronounced the strike call a conspiracy to limit the production and transportation of coal and other necessaries of life, prohibited by the food and fuel control act, and held that the law is still in force and that the provisions of the Clayton act, designed to protect the right of labor to organize, does not apply as against the more recent law.

Most of the unionized miners and mine workers in the bituminous coal fields, or approximately 425,000, responded to the strike call on November 1, and during the first week bituminous production was principally confined to the non-union mines, although many defections from the ranks of the strikers were reported. Every effort had been made by the President and members of his cabinet to avert a strike by peaceful settlement, but when the union leaders refused to consider any proposal that involved a calling off or postponement of the strike the federal authorities prepared to exercise all the powers of the government to make it ineffective by attacking it as a conspiracy in violation of the food and fuel control act.

On November 1, on petition of the federal authorities, the court issued a temporary order restraining the union leaders from taking any part in directing the strike and from disbursing any of the $15,000,000 fund reserved for strike benefits. It was hoped that in depriving the strikers both of leadership and of strike benefits much of the impetus of the strike would soon be expended and federal troops were dispatched to the mine fields to give protection to all who were willing to work, but during the first week, pending the hearing on the injunction, little effort was made by the operators to open the mines.

Both the President and the attorney general had pronounced the strike unlawful and unjustifiable both as an abrogation of a wage contract extending until the termination of the war and as a conspiracy in violation of the Lever act, and without attempting in any way to pass upon the merits of the demands for a 60 per cent increase in wages, a 6-hour day and a 5-day week, insisted that the issues be settled by negotiation or arbitration without imposing disaster upon the country.

The President reinstated the orders of the Fuel Administration fixing the price of coal and governing its allocation which were suspended earlier in the year, and Fuel Administrator Garfield issued an order designating Director General Hines and the Railroad Administration as his representatives to carry the orders into effect so far as the distribution and allocation of coal is concerned, while the Department of Justice was given charge of enforcing the maximum price regulations.

The demand of the United Mine Workers was adopted by the delegates at a convention held in Cleveland on September 23 at which it was decided that all contracts in the bituminous field should be regarded as having automatically expired on November 1, and the executive officers were authorized to call a strike of all bituminous miners and mine workers throughout the country if a satisfactory wage agreement should not have been secured by that time for the central competitive field. The demands were presented to the operators at meetings at Buffalo and Philadelphia at which the operators declined to negotiate a new contract on the ground that the agreement as to wages which was made with the sanction of the United States Fuel Administration was to run during the continuance of the war, but not beyond April 1, 1920, and that some of the wage contracts had dates not dependent upon the war.

The strike order was then issued on October 15, and Secretary of Labor Wilson, acting by direction of the President's cabinet, immediately called into conference at Washington the heads of the union and the operators' association. Subsequently the full scale committees of each side were called in and various proposals were offered and rejected by the union leaders, who declined to withdraw the strike order except after full compliance with their demands. The final proposal was made by President Wilson, who insisted that after negotiations without reservation all questions still in dispute should be submitted to arbitration and that the operation of the mines be continued pending a final settlement. The operators offered to accept this suggestion in its entirety, while the union leaders proposed to accept the offer of negotiation, but held the other two proposals "for consideration later." This action abruptly terminated the conference.

After a special meeting of the cabinet held on October 25, at which Director General Hines was also present, and at which the government's attitude toward the threatened strike and plans for action were discussed, President Wilson issued a statement for the purpose of making the issue clear to the

country and to give the miners' leaders an opportunity to recall the strike order.

The President's statement pointed out that it was proposed to abrogate an agreement as to wages made with the sanction of the Fuel Administration, and that the strike was proposed at a time when the government was making a most earnest effort to reduce the cost of living and had appealed with success to other classes of workers to postpone similar disputes until a reasonable opportunity had been afforded for dealing with the cost of living. He also said that the war itself was still a fact, the world was still in suspense as to negotiations for peace, our troops were still being transported and their means of transport was in urgent need of fuel.

Members of the international executive board of the United Mine Workers, the scale committee of the central competitive district and the district presidents held a meeting at Indianapolis on October 29, at which consideration was given to the President's statement and a statement was given out saying that "a canvass of the entire situation shows that a strike of bituminous miners cannot be avoided."

Word of this action was received at a conference attended by Joseph P. Tumulty, secretary to the President; W. B. Wilson, secretary of Labor; Walker D. Hines, director general of railroads; Dr. H. A. Garfield, former fuel administrator, and Attorney General A. Mitchell Palmer. The attorney general then issued a statement designed to show that the government was not attacking labor in general, nor the right of labor to strike, but to differentiate the coal strike from other strikes, both because it represented an abrogation of a contract and because it was a conspiracy in violation of the food and fuel act. These facts, he said, put the strike outside the pale of the law and made it necessary for the government to use all its resources for the protection of the public interest.

Strike Leaders Enjoined

On October 31, Judge A. B. Anderson, of the United States district court at Indianapolis, issued a temporary injunction restraining the officials of the United Mine Workers from all activity in the direction of the strike or from issuing strike benefits. The injunction was issued on a petition filed on behalf of the United States government by C. B. Ames, assistant attorney general in charge of the enforcement of the food and fuel control act, as an emergency measure. The hearing of the case was set for November 8, when the federal authorities were to ask that the strike order be recalled. In presenting the petition Mr. Ames explained that the case did not involve the general right to strike, but that it involved the right of the government to enforce its laws and to protect the public interest. The petition asserted that the strike, if effective, would stop the operation of the railroads and make it impossible for the Railroad Administration to earn the guaranteed return for the use of the railroad properties by the government so that the federal government would have to supply the deficit in income out of the public funds, and that suspension of railroad operations would mean also the stopping of the mails and the transportation of the armed forces of the United States and a cessation of interstate commerce. It was also stated that the Railroad Administration has more than 1,200 contracts for coal, 60 per cent of which are based upon the extension of the Washington wage agreement to March 1, 1920.

Before the injunction was served, Acting President Lewis, of the United Mine Workers, had sent out telegrams with instructions to carry the strike order into effect.

The application for the injunction apparently came as a surprise to the labor leaders and at once aroused bitter protests among them. President Gompers and other officials of the American Federation of Labor immediately called on Attorney General Palmer to voice their objections. Officers of several of the principal railroad labor organizations, including Warren S. Stone, L. E. Sheppard, P. J. McNamara, B. M. Jewell and J. J. Forrester, also called on him about the same time, but the attorney general said later they had merely offered their services toward bringing about a settlement of the coal strike and did not join in the protest against the injunction proceedings, although they had told him the government "was taking a grave step." Nor did they join in a statement issued later by Mr. Gompers and the A. F. of L. officials declaring that the injunction "can only result in creating new and more disturbing issues, which may not be confined solely to the miners."

Miners' Argument

The argument of the union for a five-day week and a six-hour day is that there is not enough work to keep the miners busy, that during 1919 they have not had work more than about 50 per cent of the time, and that the present number of miners working on the basis proposed in their demands distributed evenly throughout the year could produce enough coal to meet the requirements of the country. They also ridiculed the claim of the operators that the contract had not yet been legally terminated and made much of the point that the orders fixing the prices of coal had been suspended several months ago. Before proceeding against the miners, however, the government reinstated its price-fixing orders, and Attorney General Palmer made it plain that the government intended to deal just as firmly with any attempt to take advantage of the opportunity to profiteer as against the striker.

The miners' union argument was advanced in a statement by Samuel Gompers, in which he attempted to show that the demands are by no means radical. He said the miners were not permitted to work more than 160 to 180 days a year because the operators wish to restrict the output in order to keep prices up. The executive committee of the coal operators of the central competitive field issued a statement denying that the miners have averaged only 160 to 180 working days and that they are not permitted to work full time. It was stated that the operators have no control over the demand for coal and that it is not possible to distribute the work evenly and, moreover, that virtually every bituminous mine in the country has on its payroll a substantial number of men who deliberately lay off from one to three days a week when they have an opportunity to work.

In a statement issued by Mr. Gompers on November 5, he declared that the injunction was "not only wrong, but a gross blunder," because it practically took away the "constructive influence of the officers of the organization and indeed bars them from attempting to end the strike." He said that if the injunction were vacated and the Department of Labor would invite the operators and the representatives of the United Mine Workers to a further conference, he had "an abiding faith" that a mutually honorable adjustment could be negotiated and effected whereby the coal strike could be brought to an end. Acting President Lewis also said that an immediate resumption of negotiations could follow dismissal of the injunction suit, but he would not say that the strike would be called off pending the negotiations. Assistant Attorney General Ames, however, announced that the strike itself was a violation of the law and that as long as it continued there could be no thought of dismissal of the injunction proceedings.

On November 6, counsel for the United Mine Workers filed a motion with the court to dissolve the temporary injunction on the ground that the petition did not disclose any interest of the government in the case. It was also argued that the government was "without clean hands" in filing its petition in that it had recognized the efforts at "collective

bargaining" in the negotiations between the union and the operators by calling the parties to Washington for conferences with the Secretary of Labor. Apparently the theory was that as the government had recognized the phase of collective bargaining involved in the negotiations it should also recognize the strike as a proper phase of collective bargaining. It was further argued that it is not unlawful to strike and that the President had no constitutional power to restore the orders of the Fuel Administration after the exigencies of the war had passed.

When the hearing on the question of making the injunction permanent was called on November 8, at Indianapolis, attorneys for the union moved for a postponement to allow time for a settlement. This was opposed by Assistant Attorney General Ames on the ground that the questions involved are too important to admit of delay. Arguments were then had on the question of a dissolution of the injunction and the petition for an order that the strike call be cancelled. Mr. Ames offered affidavits from officers of the Railroad Administration to show the requirements of the railroads for coal and that the government's deficit in the operation of the railroads would be increased by a forced curtailment of railroad service. These were to show the interest of the government in the case. An affidavit detailing the alleged violation of the wage contracts was also presented and the reinstatement of the Fuel Administration orders was established. The argument of the defense was based largely on claims of the right to strike and that the contracts had been terminated by the practical cessation of hostilities.

"Do you mean to tell me that any group of men have the right to conspire to stop the railroads?" Judge Anderson asked of Henry Warrum, counsel for the union.

"I do claim the right of the men to exercise the primary right to stop work," Mr. Warrum replied.

"I hold that the Lever act is valid right now," said Judge Anderson, "and that the act of men who conspire to reduce production and transportation of coal is unlawful. I am going to hold that it would result in irreparable loss—why, it would result in the loss of millions to the government alone. The Lever act is plainly constitutional, plainly in force. I think that the government is right and that the Clayton act does not apply at all. I think that this restraining order should be made a mandatory injunction and that the strike order should be withdrawn."

Strike Called Off

The strike was called off on November 11 when the officers of the United Mine Workers sent out a notice cancelling the strike order in accordance with the mandatory order issued by Judge Anderson, of the United States district court at Indianapolis, on November 11. The decision to obey the court order was announced after a long conference of the union officials by John L. Lewis, acting president of the United Mine Workers, who said: "We are Americans. We cannot fight our government. We comply with the order of the court, but under protest."

The federal authorities had let it be known that they would endeavor to prepare the way for the opening of negotiations between the miners and the operators as soon as the strike order was recalled, and Secretary Wilson, of the Department of Labor, immediately called representatives of the unions and of the operators to a conference at Washington for that purpose on November 14, but comparatively few of the miners returned to work.

EXPORTS OF IRON AND STEEL in August, 1919, aggregated $75,831,942, compared with $95,780,230 in the same month of August, 1918. For the year ending August, 1919, the total exports amounted to $689,661,816, against the total of $704,675,554 for the twelve months ending August, 1918.

Glenn E. Plumb on Speaking Tour

GLENN E. PLUMB, counsel for the railroad labor organizations, is spending the month of November on an extended speaking tour in the interest of the Plumb plan. During October he spoke at a large number of meetings in the East, including New England, and during the latter part of the month he transferred his attentions to the Northwest, speaking in Grand Forks, N. D., and Duluth, St. Cloud, Minneapolis and St. Paul, Minn. Some of the principal points on his schedule for November were Sioux Falls, Aberdeen, Sioux City, Omaha, St. Joseph, Topeka, Kansas City, St. Louis, Chicago, Memphis, Madison, Wis., Grand Rapids, Mich, and Des Moines, Ia. He also covered a large number of smaller towns.

In addition, the Plumb Plan League has a number of other speakers who are kept busy, including ex-Congressman C. C. Dill, who is also on a western trip; W. E. Kennedy, M. L. Clausen and Frederic C. Howe, and during the winter it expects to have a large staff of lecturers in addition to a volunteer army of "four-minute" speakers.

The following extracts from Mr. Plumb's speech as sent out to newspapers by his press bureau will give a sample of the kind of doctrine that is being used to settle the "spirit of unrest" among the railroad employees:

"As a condition of resuming private ownership, the owners of the railways demand a right which we have never heretofore accorded them, a right which they seek to have embodied in the written law, permitting them to charge the public such rates for service as will insure them a minimum return of 6 per cent upon the assumed value of their properties—this assumed value to be found in the book reports of their 'property investment account.'

"In order that you may understand what this means, I must define the 'property investment account' of these railroads.

"Theoretically the right of the railroad to charge for its service depends on the amount of the money invested; that is, the extent of the liabilities which it has incurred to its stockholders and bondholders for money furnished, and its liabilities for materials purchased. Theoretically its asset; that is, the right to charge the people for service, exactly balances its liabilities, and things which are equal to the same thing are equal to each other; therefore, its liabilities constitute its assets. And the greater its liabilities the greater its assets.

"In fact, a railroad corporation has no asset except its liabilities. This makes it necessary for the men owning the railroad and conducting its operations, in self-interest, to make the liabilities as large as possible. The result is that the railroad experience of the past 80 years shows that no railroad ever paid off an indebtedness except by creating a new indebtedness of the same or greater par value. We have now in the liabilities of our railroad companies the indebtedness incurred generations ago.

"Therefore the money expended for rails, ties, and equipment in the days of our grandfathers, and long since passed out of existence, still demands its return in the present rates.

"Today we are still paying for the use of locomotives long since sent to the scrap heap. We are paying returns on the shades of ties that have been ashes for generations. Rails that have been replaced half a dozen times still demand from us the earnings paid by our ancestors. The 'property investment account' of these railways is nothing but a whited sepulcher, full of corruption and dead men's bones. Within that charnel-house we find billions of shadow dollars representing shadow certificates of stock that never meant anything in service to the public.

"This coffin of the past they drag into Congress, and now demand of the people that it be brought to life and made a

living thing by a guaranty of 6 per cent on the total sum of its dust and corruption, in order that the 'faith and credit'—God save the mark!—of this empty grave may be re-established amongst living men of this generation, and fastened as a perpetual burden upon our children and our children's children to the end of time.

"Who shall deliver us from the body of this death?

"It is out of this chaos of corruption that labor's plan has been evolved."

Engineers' Board Proposes Industrial Commission

On November 2 the advisory board of the Brotherhood of Locomotive Engineers issued a statement at Washington deploring the "attempt at government by injunction," and declaring that the principle of "collective bargaining" is of vital importance to the members of the organization. It also suggested that steps be taken to assemble an industrial commission that is "not pledged to oppose collective bargaining."

The statement follows:

"In view of the conditions facing our country at this time, which in our judgment is far more serious than during the late war, inasmuch as it affects all classes of the people, and in consideration of the situation, the advisory board of the Brotherhood of Locomotive Engineers, assembled at Washington and formulated the following declaration of principles:

"The advisory board of locomotive engineers, the undoubted Americanism of whose membership should assure them of recognition, not only by the government, but every factor contributing to the welfare of all the people, believe that:

"The industrial conditions now confronting the nation, with capital and labor occupying a militant attitude toward each other, while the whole country is suffering from high cost of living caused by hoarding and profiteering, resulting in general discontent which tends to lower production, has brought about the most serious crisis in the history of our country.

"We believe that there is no industrial dispute or misunderstanding that cannot be adjusted upon a basis of justice and right, and we further believe that in seeking justice, justice should be practiced by all concerned.

"We believe in the laws and institutions of our country which guarantee that all the people shall have equal opportunity and a fair and impartial hearing before being condemned. We deplore the action of the federal government in its present attempt at government by injunction, believing such action will only tend to make conditions worse and defer if not defeat a peaceful settlement.

"The advisory board have full assurance that we express unanimous sentiment of the 85,000 members of our organization that the principle of collective bargaining is of vital importance to them and cannot be construed as harmful to any interest which desires to be just and fair.

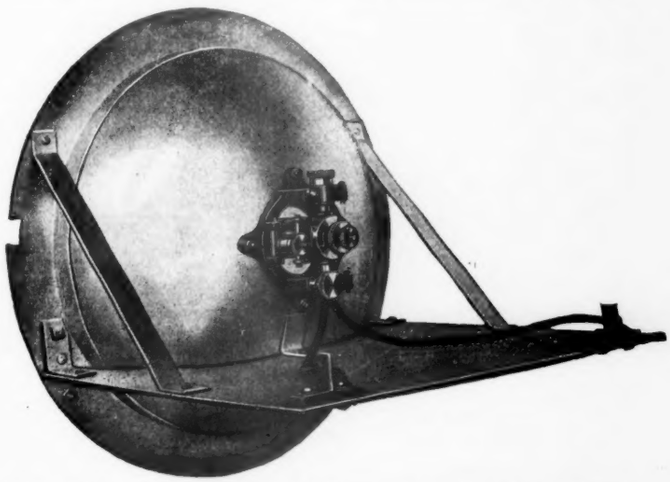
"As a remedy for the present turbulent conditions we suggest that immediate steps be taken to assemble at Washington an industrial commission that will recognize the rights of all citizens and is not pledged to oppose collective bargaining, as this is a time for deliberate action on the part of all concerned in a peaceful solution of the present conditions.

"We pledge the support of our organization to the government in every just and reasonable effort toward stabilizing industrial conditions, to the end that normal conditions be restored.

"We believe that if such a policy is adopted, reason and justice will take the place of passion, and the autocratic and militant attitude now being displayed, a successful and permanent adjustment of the relations between capital and labor, which vitally concerns all the people, could be hoped for."

Demountable Mirror Unit for Locomotive Headlight

The Electric Service Supplies Company, Philadelphia, Pa., has introduced a demountable mirror unit for locomotive headlights, which is designed primarily for the purpose of replacing 18-in. by 9-in. metal reflectors with a reflector which will not corrode in service. These mirror units are supplied for practically all of the standard 18-in. cases now in general use, and are so constructed as to slide into the cases without fitting or other alterations. They consist of a heavy sheet steel shield and



Rear View of Demountable Mirror Unit, Showing Mirror Protective Shield and Micrometer Screw Focusing Device

flange fitted into a horizontal steel base at a midway point and secured thereto with steel braces. The shield is lined with felt at its extreme edges where the reflector rests, for the purpose of protecting the reflector. A clamping ring, secured by screws which bear against a ground surface on the outer periphery, holds the reflector in place.

These units are supplied with universal focusing devices which are mounted on the back of the sheet steel shield. Leads from the lamp sockets are supplied which connect to the brass contacts mounted on the back of the shield base.

Standard Cars Being Placed in Service

Director General Hines announced on November 6 that only 168 of the freight cars ordered by the Railroad Administration and already built remained to be lettered and numbered and placed in service, and that this remaining supply would be lettered and numbered and placed in service immediately. During the week ended November 1, 1919, the cars already built and in storage were lettered and numbered and placed in service at the rate of 62 a day, and new cars were constructed and placed in service at the rate of 187 a day. Of the original order of 100,000 freight cars there remained to be built 17,881.

General News Department

The Vicksburg, Shreveport & Pacific has been transferred from the southwestern region to the southern.

R. C. Richards, claim agent of the Chicago & Northwestern, has been elected president of the National Safety Council.

The American Association of Railway Surgeons held its sixteenth annual meeting at the Hotel Sherman, Chicago, on October 22, 23 and 24.

The new passenger terminal of the Canadian National Railways at Vancouver, B. C., was opened for business on Saturday, November 1.

At Clearing, near Chicago, the operation of the hump yard, which was discontinued several months ago, because of lack of traffic, was resumed on October 27.

The bill making an additional appropriation for the construction of the Alaska Railroad, $17,000,000, has passed both Houses of Congress and has become a law without the President's signature.

William Barr, consulting chemist of the Union Pacific will present a paper on "The Treatment of Water for Locomotive Boilers" before the next meeting of the Western Railway Club which will be held at the Hotel Sherman, Chicago, on November 17.

The Western Society of Engineers, Chicago, completed successfully a seven-day drive for 2,000 additional members on Friday, October 17, increasing the membership of the society to 3,200. Among the enlarged activities which will be undertaken is the establishment of a railroad section.

The National Safety Council is to organize an Engineering Section, a special committee having been appointed for that purpose. It will be composed of members of the Council (or their employees) who are also members of the national engineering societies; or who have had ten years' experience in engineering work and five years' experience in responsible charge of such work.

The airplane mail from Cleveland, Ohio, to New York city, was carried through on Thursday, September 25, in three hours, twelve minutes, including a stop of 13 minutes at Bellefonte, Pa. The distance through is calculated at 430 miles, making the rate of speed 134 miles an hour, or, excluding the stop, more than 140 miles an hour. The mail carried on this trip weighed 355 pounds.

The Interstate Commerce Commission has announced a hearing for oral argument on the valuation proceedings in the Texas Midland, Winston-Salem Southbound & Elgin, Joliet & Eastern costs at Washington on January 7, and has granted leave to the parties to file briefs upon the final value which the commission should find, the elements to be considered and the weight to be attached thereto.

Normal time was resumed throughout the United States on Sunday, October 26, by the setting back of clocks one hour at 2 a. m. The railways of Canada, which also have used summer time—without special statutory authority—made the change at the same hour. The cities of Cleveland, Ohio, and Cincinnati, Ohio, left their clocks unchanged and now are regulating their activities by Eastern instead of Central standard.

Henry J. Aukerman, general secretary of the railroad Young Men's Christian Association, at Altoona, Pa. (Pennsylvania Railroad), has retired from that position after a service of 37 years, and will henceforth be known as secretary emeritus. Mr. Aukerman is succeeded by R. D. Emerick, who for the last seven years has been general supervising secretary of railroad associations on the Buffalo, Rochester & Pittsburgh.

Railroad enginemen and firemen to the number of more than 100 were called before Health Commissioner John Dill Robertson of Chicago, on October 16, and accused of permitting locomotives to violate the smoke abatement ordinance of that city. Representatives of the railroads and of employees' unions were present and joined with the city representatives in examining the men. Those found guilty of violating the ordinance were warned not to repeat the offense.

The strike of drivers of the American Railway Express Company in New York and adjacent cities was ended on Thursday, October 23, by the men voting to return to work. A committee had been sent to Washington to see the director-general, but he told them that unless they returned to work by Friday evening, the 24th, their places would be filled. The strike leaders in New York interpreted Mr. Hines' position as an intention to employ soldiers on the express wagons if necessary. The Merchants' Association of New York city sent to the director-general a formal complaint of the great inconvenience and considerable losses caused to the business interests of New York by the ten days' strike.

Disastrous Collisions in Europe

Press dispatches of October 25 report a collision between a passenger train and a freight near Kranowitz, Silesia, in which 40 persons were burned to death. Over 60 others were severely injured.

Forty-one persons were killed and many others were injured in a collision at Vigerslev, Denmark, on the first of November, five coaches being wrecked.

Twenty or more persons were reported killed, and about 20 injured, in a collision on the night of November 3 at Pont-sur-Yonne, France, about 60 miles southeast of Paris.

Changes in Interchange Rules

The Mechanical Section of the American Railroad Association has issued circulars 69 and 70 covering minor changes in the code of car interchange rules. Circular 69 provides that the charge for Pintsch gas from October 1, 1919, to December 31, 1919, shall be $1.40 per receiver. The addition of 30 per cent as authorized by passenger car rule No. 20 is not applicable in this case. Circular No. 70 calls attention to errors in freight car rule 131 and passenger car rule 24 which show the dates on which the 1919 code becomes effective as October 1, 1919. The new rules went into effect November 1, 1919, as provided by Circular 63.

American Society of Civil Engineers Nominates Officers

The American Society of Civil Engineers has made public the report of the nominating committee, suggesting the following members for officers for the ensuing year: President (one year), Arthur P. Davis, chief engineer, U. S. Reclamation Service, Washington, D. C.; vice-presidents (two years), Robert A. Cummings, construction engineer, Pittsburgh, Pa., and Francis Lee Stuart, construction engineer New York City; treasurer (one year), Arthur S. Tuttle, deputy chief engineer, Board of Estimate and Apportionment, New York City; directors (three years), Clarence W. Hudson, professor of civil engineering, Polytechnic Institute of Brooklyn, New York City; Carleton Green, construction engineer, New York City; John A. O'Connor, construction

engineer, New York City; John C. Hoyt, hydraulic engineer in charge, Surface Water Division, U. S. Geological Survey, Washington, D. C.; Anson Marston, dean of engineering, Iowa State College, Ames, Iowa; and David C. Henry, construction hydraulic engineer, Portland, Ore.

Steel Treaters' Society Holds Convention

The American Steel Treaters' Society held its first convention at the Seventh Regiment Armory, Chicago, on September 23 to 27. This organization, which was formed several months ago, has for its object the promotion of the art of heat treatment as applied to steel. Numerous papers dealing with various phases of heat treatment were presented and an extensive exhibit was held in connection with the convention. The following officers were elected: President, T. E. Barker, Miehle Printing Press & Manufacturing Company, Chicago; first vice-president, E. J. Janitzky, Illinois Steel Company, Chicago; second vice-president, D. J. Barnes, Cann & Saul, Philadelphia, Pa.; secretary, A. G. Henry, Illinois Tool Works, Chicago; treasurer; A. L. Boissoneau William Ganschow Company, Chicago.

B. & B. Association Meets in Cleveland

The twenty-ninth annual convention of the American Railway Bridge and Building Association was held at the Statler Hotel, Cleveland, on October 21, 22 and 23, over 250 members in attendance, a larger number than at any previous convention.

At the annual meeting on the third day the following officers were elected for the ensuing year: President, F. E. Weise (C., M. & St. P.), Chicago; first vice-president, W. F. Strouse, Baltimore, Md.,; second vice-president, C. R. Knowles (I. C.), Chicago; third vice-president, Arthur Ridgway (D. & R. G.), Denver, Colo.: fourth vice-president, J. S. Robinson (C. & N. W.), Chicago; secretary-treasurer, C. A. Lichty (C. & N. W.), Chicago; members of executive committee, J. P. Wood (P. M.), Saginaw, Mich.; A. B. McVay (L. & N.), Evansville, Ind.; J. H. Johnston (G. T.), Montreal, Que.; E. T. Howson, *Railway Age*, Chicago; C. W. Wright (L. I.), Jamaica, N. Y. and G. A. Manthey (D. S. S. & A.), Marquette, Mich.

Atlanta, Georgia, was selected as the location for the next convention.

Thirty-four firms presented, in rooms adjoining the convention hall, exhibits of material used in the bridge, building and water service departments.

Freight Traffic Committee to Close Docket

The Dallas (Tex.) District Freight Traffic Committee in Circular No. 130 has reproduced a letter received from Washington to the effect that the work of all freight traffic committees should be brought to a close on or before January 1, and all subjects now before the committees be disposed of. Changes in rates, etc., which may result from the committees' work should be not only published but made effective before the end of federal control. No further consideration is to be given by any freight traffic committee to any subject involving a general revision of rates, except where consideration has already been authorized. This withdraws the instructions of February 15, 1919, under which these general questions could be referred to Washington, and is intended to save the committees' time in the preliminary consideration of such subjects.

After November 10, no new applications are to be accepted by any committee nor docketed for public consideration except as follows:

(1) To publish new commodity rates, on articles which usually take commodity rates, to cover newly developed traffic, where only class or combination rates are in effect.
(2) To publish new class of commodity rates on newly constructed lines.
(3) To correct clerical errors.
(4) To readjust rates thrown out of line by General Order No. 28.
(5) To make changes necessary to comply with orders of the Interstate Commerce Commission (these applications to be made only by one of the general committees and only in cases where the Interstate Commerce Commission has ordered the removal of discrimination without setting the rates).
(6) On subjects concerning which a request for consideration is received from Washington.

In the consideration of pending subjects, committees are requested to give preference to those which have been longest before the committee and those which are of the most importance.

Meetings and Conventions

The following list gives names of secretaries, dates of next or regular meetings and places of meetings:

AIR BRAKE ASSOCIATION.—F. M. Nellis, 165 Broadway, New York City. Next convention, May 5-7, 1920, Chicago.

AMERICAN ASSOCIATION OF DEMURRAGE OFFICERS.—F. A. Pontious, Supervisor of Demurrage and Storage, C. & N. W. Ry., Chicago.

AMERICAN ASSOCIATION OF DINING CAR SUPERINTENDENTS.—S. W. Derr, C. R. R. of N. J., Philadelphia, Pa.

AMERICAN ASSOCIATION OF FREIGHT AGENTS.—R. O. Wells, Illinois Central, Chicago. Next annual meeting, June, 1920.

AMERICAN ASSOCIATION OF GENERAL BAGGAGE AGENTS.—E. R. Reynolds, C. G. W. R. R., Chicago. Next meeting, November 11-13, 1919, New Orleans, La.

AMERICAN ASSOCIATION OF PASSENGER TRAFFIC OFFICERS.—W. C. Hope, C. R. R. of N. J., 143 Liberty St., New York. Next meeting, October 28-29, Chicago.

AMERICAN ASSOCIATION OF RAILROAD SUPERINTENDENTS.—J. Rothschild, Union Station, St. Louis, Mo.

AMERICAN ELECTRIC RAILWAY ASSOCIATION.—E. B. Burritt, 8 W. 40th St., New York. Next convention, October 6-10, Atlantic City, N. J.

AMERICAN ELECTRIC RAILWAY MANUFACTURERS' ASSOCIATION.—C. F. J. Dell, 50 E. 42nd St., New York.

AMERICAN RAILROAD MASTER TINNERS', COPPERSMITHS' AND PIPE FITTERS' ASSOCIATION.—Otto E. Schlinck, 185 W. 5th St., Peru, Ind.

AMERICAN RAILROAD ASSOCIATION.—J. E. Fairbanks, 75 Church St., New York:

Section I, Operating (including former activities of Association of Railway Telegraph Superintendents).
Section II, Engineering.—E. H. Fritch, 431 South Dearborn St., Chicago.
Signal Division.—H. S. Balliet, 75 Church St., New York. Next annual meeting, September 17-19, Congress Hall and Annex, Chicago.
Section III, Mechanical (including former activities of Master Car Builders' and Master Mechanics' Association).—V. R. Hawthorne, 431 South Dearborn St., Chicago.
Section IV, Traffic (including former activities of Fregiht Claim Association).
Section V, Transportation (including former activities of Association of Transportation and Car Accounting Officers).
Section VI, Purchases and Stores (including former activities of Railway Storekeepers' Association). J. P. Murphy, N. Y. C. R. R., Collinwood, Ohio.
Section VII, Freight Claims (including former activities of the Freight Claim Association).

AMERICAN RAILWAY BRIDGE AND BUILDING ASSOCIATION.—C. A. Lichty, C. & N. W. Ry., 319 N. Waller Ave., Austin Station, Chicago. Next convention, October 21-23, 1919, Cleveland, O.

AMERICAN RAILWAY ENGINEERING ASSOCIATION.—(Works in co-operation with the American Railroad Association, Section II.) E. H. Fritch, 431 South Dearborn St., Chicago. Next convention, March 16-18, 1920, Chicago.

AMERICAN RAILWAY MASTER MECHANICS' ASSOCIATION.—(See American Railroad Association, Section III, Mechanical.)

AMERICAN RAILWAY PERISHABLE FREIGHT ASSOCIATION.—E. F. McPike, 135 E. 11th Place, Chicago. Regular meetings, 2d Wednesday in March and September.

AMERICAN RAILWAY TOOL FOREMEN'S ASSOCIATION.—R. D. Fletcher, 1145 East Marquette Road, Chicago.

AMERICAN SOCIETY FOR TESTING MATERIALS.—C. L. Warwick, University of Pennsylvania, Philadelphia, Pa.

AMERICAN SOCIETY OF CIVIL ENGINEERS.—Charles W. Hunt, Engineering Societies Building, 33 W. 39th St., New York. Regular meetings, 1st and 3d Wednesday in month, except July and August, 33 W. 39th St., New York.

AMERICAN SOCIETY OF MECHANICAL ENGINEERS.—Calvin W. Rice, 29 W. 39th St., New York.

AMERICAN TRAIN DESPATCHERS' ASSOCIATION.—D. L. Darling, Northern Pacific Ry., Spokane, Wash.

AMERICAN WOOD PRESERVERS' ASSOCIATION.—F. J. Angier, B. & O., Mt. Royal Sta., Baltimore, Md. Next annual meeting, February 10-12, 1920, Hotel Sherman, Chicago.

ASSOCIATION OF RAILWAY CLAIM AGENTS.—Willis H. Failing, C. R. R. of N. J., Jersey City, N. J. Next meeting, May, 1920. Atlantic City, N. J.

ASSOCIATION OF RAILWAY ELECTRICAL ENGINEERS.—Jos. A. Andreucetti, C. & N. W., Room 411, C. & N. W. Sta., Chicago. Next meeting, October, 1919, Chicago.

ASSOCIATION OF RAILWAY TELEGRAPH SUPERINTENDENTS.—(See American Railway Association, Section I, Operating.)

ASSOCIATION OF TRANSPORTATION AND CAR ACCOUNTING OFFICERS.—(See American Railroad Association, Section V, Transportation.)

BRIDGE AND BUILDING SUPPLY MEN'S ASSOCIATION.—M. J. Trees, Chicago Bridge & Iron Works, Chicago. Next annual convention, October 21-23, 1919, Cleveland, O.

CANADIAN RAILWAY CLUB.—W. A. Booth, 131 Charron St., Montreal, Que.

CAR FOREMEN'S ASSOCIATION OF CHICAGO.—Aaron Kline, 626 North Pine Ave., Chicago. Regular meetings, 2d Monday in month, except June, July and August, New Morrison Hotel, Chicago.

CAR FOREMEN'S ASSOCIATION OF ST. LOUIS.—Thomas B. Koeneke, Federal Reserve Bank Bldg., St. Louis, Mo.

CENTRAL RAILWAY CLUB.—Harry D. Vought, 95 Liberty St., New York. Regular meetings, 2d Thursday in November, and 2d Friday in January, March, May and Sepetmber, Hotel Statler, Buffalo, N. Y.

CHIEF INTERCHANGE CAR INSPECTORS' AND CAR FOREMEN'S ASSOCIATION.—H. J. Smith, D. L. & W. R. R., Scranton, Pa. Next annual convention, September 23-25, 1919, St. Louis, Mo.

CHIEF INTERCHANGE CAR INSPECTORS' AND CAR FOREMEN'S SUPPLY MEN'S ASSOCIATION.—D. B. Wright, Lehon Company, 45th and Oakley Sts., Chicago. Next annual convention, September 23-25, 1919, St. Louis, Mo.

EASTERN RAILROAD ASSOCIATION.—D. G. Stuart, Washington, D. C.

FREIGHT CLAIM ASSOCIATION (See American Railroad Association, Section IV, Traffic).

GENERAL SUPERINTENDENTS' ASSOCIATION OF CHICAGO.—A. M. Hunter, 321 Grand Central Sta., Chicago. Regular meetings, Wednesday preceding 3rd Friday in month, Room 856, Insurance Exchange Bldg., Chicago.

INTERNATIONAL RAILROAD MASTER BLACKSMITHS' ASSOCIATION.—A. L. Woodworth, B. & O., Lima, Ohio.

INTERNATIONAL RAILWAY FUEL ASSOCIATION.—J. G. Crawford, 702 E. 51st St., Chicago. Next annual meeing, May, 1920, Hotel Sherman, Chicago.

INTERNATIONAL RAILWAY GENERAL FOREMEN'S ASSOCIATION.—Wm. Hall, 1061 W. Wabash Ave., Winona, Minn.

MAINTENANCE OF WAY MASTER PAINTERS' ASSOCIATION.—F. W. Hager, 1323 Hurley Ave., Ft. Worth, Tex. Next annual convention, October 21-23, 1919, American Annex Hotel, St. Louis, Mo.

MASTER BOILER MAKERS' ASSOCIATION.—Harry D. Vought, 95 Liberty St., New York.

MASTER CAR AND LOCOMOTIVE PAINTERS' ASSOCIATION OF THE UNITED STATES AND CANADA.—A. P. Dane, B. & M., Reading, Mass. Next convention, September 9-11, 1919, Hotel La Salle, Chicago.

MASTER CAR BUILDERS' ASSOCIATION.—(See American Railroad Association, Section III, Mechanical.)

NATIONAL ASSOCIATION OF RAILWAY AND UTILITIES COMMISSIONERS.—James B. Walker, 49 Lafayette St., New York. Next annual convention, October 14, 1919, Indianapolis, Ind.

NATIONAL FOREIGN TRADE COUNCIL.—O. K. Davis, 1 Hanover Square, New York. Next convention, May 12-15, 1920, San Francisco.

NATIONAL RAILWAY APPLIANCES ASSOCIATION.—C. W. Kelly, Kelly-Derby Co., Peoples Gas Bldg., Chicago.

NEW ENGLAND RAILROAD CLUB.—W. E. Cade, Jr., 683 Atlantic Ave., Boston, Mass. Regular meetings, 2d Tuesday in month, excepting months of June, July, August and September.

NEW YORK RAILROAD CLUB.—Harry D. Vought, 95 Liberty St., New York. Regular meeting, 3d Friday in month, except June, July and August, 29 W. 39th St., New York.

NIAGARA FRONTIER CAR MEN'S ASSOCIATION.—George A. J. Hochgrebe, 623 Brisbane Bldg., Buffalo, N. Y. Regular meetings, 3d Tuesday in each month, Tenjost Hall, Buffalo, N. Y.

PACIFIC RAILWAY CLUB.—W. S. Wollner, 64 Pine St., San Francisco, Cal. Regular meeting 2d Thursday in month, alternately in San Francisco and Oakland.

RAILWAY ACCOUNTING OFFICERS' ASSOCIATION.—E. R. Woodson, 1116 Woodward Bldg., Washington, D. C.

RAILWAY BUSINESS ASSOCIATION.—Frank W. Noxon, 30 Church St., New York. Next annual meeting, December, 1919, New York, N. Y.

RAILWAY CLUB OF PITTSBURGH.—J. D. Conway, 515 Grandview Ave., Pittsburgh, Pa. Regular meetings, 4th Thursday in month except June, July and August, Americus Club House, Pittsburgh, Pa.

RAILWAY DEVELOPMENT ASSOCIATION.—D. C. Welty, Missouri Pacific R. R., Little Rock, Ark.

RAILWAY ELECTRIC SUPPLY MANUFACTURERS' ASSOCIATION.—J. Scribner, General Electric Co., Chicago. Annual meeting with Association of Railway Electrical Engineers.

RAILWAY EQUIPMENT MANUFACTURERS' ASSOCIATION.—D. L. Eubank, Galena Signal Oil Company, Richmond, Va. Next annual meeting, September, 1919, Hotel Sherman, Chicago.

RAILWAY FIRE PROTECTION ASSOCIATION.—G. L. Ball, St. Louis-San Francisco Ry., St. Louis, Mo. Next annual meeting, October 21-23, 1919, La Salle Hotel, Chicago.

RAILWAY REAL ESTATE ASSOCIATION.—R. H. Morrison, C. & O., Richmond, Va.

RAILWAY SIGNAL ASSOCIATION.—(See American Railroad Association, Section II, Signal Division.)

RAILWAY STOREKEEPERS' ASSOCIATION.—(See American Railroad Association, Section VI, Purchases and Stores.)

RAILWAY SUPPLY MANUFACTURERS' ASSOCIATION.—J. D. Conway, 1841 Oliver Bldg., Pittsburgh, Pa.

RAILWAY TELEGRAPH AND TELEPHONE APPLIANCE ASSOCIATION.—G. A. Nelson, Waterbury Battery Co., 30 Church St., New York.

ROADMASTERS' AND MAINTENANCE OF WAY ASSOCIATION.—P. J. McAndrews, C. & N. W. Ry., Sterling, Ill. Next annual convention, September 16-18, 1919, Chicago.

ST. LOUIS RAILWAY CLUB.—B. W. Frauenthal, Union Station, St. Louis, Mo. Regular meetings, 2d Friday in month, except June, July and August.

SIGNAL APPLIANCE ASSOCIATION.—F. W. Edmunds, West Nyack, Rockland County, New York.

SOCIETY OF RAILWAY FINANCIAL OFFICERS.—L. W. Cox, 1217 Commercial Trust Bldg., Philadelphia, Pa. Next annual meeting, October 16-17, New York City.

SOUTHERN AND SOUTHWESTERN RAILWAY CLUB.—A. J. Merrill, P. O. Box 1205, Atlanta, Ga. Regular meetings, 3d Thursday in January, March, May, July, September and November, Piedmont Hotel, Atlanta.

SOUTHERN ASSOCIATION OF CAR SERVICE OFFICERS.—E. W. Sandwich, Western Ry. of Ala., Atlanta, Ga.

SUPPLY ASSOCIATION OF AMERICAN RAILWAY TOOL FOREMEN'S ASSOCIATION.—C. N. Thulin, Duff Manufacturing Company, 935 Peoples Gas Bldg., Chicago.

TRACK SUPPLY ASSOCIATION.—W. C. Kidd, Ramapo Iron Works, Hillburn, N. Y. Next annual convention, September 16-18, 1919, Auditorium Hotel, Chicago.

TRAIN DESPATCHERS' ASSOCIATION OF AMERICA.—J. P. Finan, A. T. & S. F. Ry., Needles, Cal.

TRAVELING ENGINEERS' ASSOCIATION.—W. O. Thompson, N. Y. C. R. R., Cleveland, O. Next annual meeting, September 16-19, 1919, Hotel Sherman, Chicago.

WESTERN ASSOCIATION OF SHORT LINE RAILROADS.—Clarence M. Oddie, Mills Bldg., San Francisco.

WESTERN RAILWAY CLUB.—A. F. Stuebing, 750 Transportation Bldg., Chicago. Regular meetings, 3d Monday in month, except June, July and August.

WESTERN SOCIETY OF ENGINEERS.—Edgar S. Nethercut, 1735 Monadnock Block, Chicago. Regular meetings, 1st Monday in month, except July and August.

Traffic News

The Board of Railway Commissioners for Canada, has refused to condemn increased round-trip passenger fares which were put into effect by certain Canadian roads on February 1.

The bill making an additional appropriation for the construction of the Alaska Railroad, $17,000,000, has passed both Houses of Congress and has become a law without the President's signature.

The Mexican Government has issued an order abolishing all special freight rates on the railroads of the republic which have been granted to foster "infant industries." The promotion of traffic by this means is a custom of long standing. The American Chamber of Commerce in the City of Mexico has entered a protest against the enforcement of the order.

A. S. Titus, special claim adjuster for the Southern Pacific with headquarters at San Francisco, Cal., has been appointed traffic manager of the California White & Sugar Pine Manufacturers' Association with office at San Francisco. Mr. Titus was formerly connected with the freight claim departments of the Southern at Washington, D. C., and the Southern Pacific at San Francisco. In his new position he will handle all traffic matters for the mills in the association.

Charles E. Christopher, formerly sales representative of the Joseph T. Ryerson & Son Company, Chicago, with headquarters in that city, has been appointed traffic manager of the Midco Oil Sales Co., Tulsa, Okla., and assistant traffic manager of the Mid-Co Gasoline Co., Tulsa, and the Mid-Co Petroleum Co., Tulsa. Mr. Christopher was formerly connected with the general freight departments of the Chicago, Milwaukee & St. Paul, the Kansas City Southern and the Missouri, Oklahoma & Gulf.

The National Industrial Traffic League has complained to the Interstate Commerce Commission, concerning the two-year clause in the uniform bill of lading. Some roads are construing this as forbidding the payment of valid claims for damages after the expiration of two years and one day, the time limit named in the bill of lading. The League calls for a more reasonable construction; for an interpretation which will not forbid the voluntary payment of claims, and will make the clause applicable only in cases where no claim has been filed.

The longshoremen's strike at New York City was broken by November 1, but it was not subdued until November 6. Even then, though most of the men were back at work, the relations of employers and employees were confused. Export and coastwise freight traffic, though badly hampered, had adjusted itself to the situation in some degree, so that the congestion was less than would be expected from such a long-continued blockade. Normal conditions had not, however, been restored before many ocean vessels were again held up by the scarcity of coal, because of the strike of the bituminous miners, the United States Fuel Administration refusing to supply coal to foreign-owned vessels.

Stricter Packing Rules for Express

The American Railway Express Company announces the adoption of new and stricter packing rules, to be put into effect December 10. The rules will forbid the use of paper wrapping for packages weighing over 25 pounds, or of ordinary paper boxes, wrapped or unwrapped, when the weight of the contents is over that limit. For heavier packages, the regulations, like those used in the freight department of railroads, will require wood, fibre board, corrugated strawboard, etc., of specified test strengths; though in the express service a wider latitude is permitted in the size of the carton used. The new regulations are embodied in Supplement No. 5, to Express Classification No. 26.

Foreign Railway News

The government of India is considering methods of making India more independent of outside sources in the supply of railway material. It is proposed to guarantee the purchase in India of 2,500 standard gauge and 500 meter gauge wagons yearly for ten years, provided the price is no higher and the quality no lower than in the case of imported wagons.

Electrification in Brazil.—The London Times Trade Supplement states that the electrification of the Barra to Pirahy Railway is likely to be carried out shortly as a government commission has recommended the system to be employed. The power will be obtained from one of the existing power companies. The cost of rolling stock, sub-station plant and transmission line will be nearly £1,000,000.

Ninety per cent. of the railroad rolling stock in the Perm, Ekaterinburg and Cheliabinsk districts of Russia was pulled out before the territory was given over to the Bolsheviki. This is the substance of an Associated Press dispatch from Omsk, Siberia, dated in July and printed in American papers in August. The statement was credited to General Jack of the Inter-Allied Technical Committee. The number of locomotives saved was about 600 and of freight cars about 30,000. The railroad machine shops, as well as other factories in the territory given over to the Bolsheviki, were left intact, no effort being made to destroy them.

Poland Takes Over Railways

A cablegram from the American Legation at Warsaw states that it is reported by the Polish authorities that all railway lines of Poland, comprising a total of 7,110 miles, are now under the control of the Government. Of the railways thus operated, 5,606 miles are under the civil authorities and 1,504 miles under the Polish War Department.

New Railway in Nicaragua

London.

A new railway, 75 miles in length, is to be constructed in Nicaragua, says Modern Transport, from a point on the Cuculaya River, following the course of the Bamabana and Oconguas Rivers, of which 40 miles have already been constructed.

In the Belgian Congo

It is proposed to extend the Katanga Railway, which now ends at Bukama, to a new terminus at a place which the Belgian Administration calls Kibouerbo, on the upper waters of the Congo. This is expected to get over the difficulty of navigation on the upper channels between Kabolo and Bukama, which at present often necessitate the discharge of cargo owing to the lowness of the water.

The Drama-Cavalla Railway of Greece

An important railway and sea connection is being undertaken by the Greek Government, writes Trade Commissioner Eliot G. Mears, from Athens. This line will connect up the Salonica-Serres-Constantinople Railway at Drama with the Aegean Sea at Cavalla. At the present time the only outside outlet is in western Thrace at Dedeagatch, an open roadstead unprotected from the strong southerly winds. The Drama-Cavalla line has been considered a commercial necessity for many years, but under Turkish rule nothing was done. Cavalla is the only important Macedonian port except Salonica, and is the most important tobacco-exporting port in Greece.

The right of way will be 43 kilometers (27 miles), compared with 36 kilometers (22.5 miles) by the carriage road. The country is mountainous, which necessitates several tunnels, one of them about 2½ kilometers (1.5 miles) long. The cost of construction will be over twice what it would have been before the war. A conservative estimate would allow at least two years for the completion of this line.

Standardization of Brazilian Equipment

Commercial Attaché J. E. Philippi, Rio de Janeiro, reports that a commission has been appointed to make a special study looking to the adoption of uniform types of equipment and material for the Government railways of Brazil. The members of the commission are to be engineers from the Federal Department of Railway Inspection and the Federal railways. The first study will be devoted to the selection of uniform types of locomotives, passenger cars and freight cars for the railroads of one meter gage.

Cars and Locomotives in Russia

London.

The Ironmonger states that at the declaration of war Russia possessed in the neighborhood of 30,000 locomotives and 570,000 cars and that at the time of the revolution there were 6,200 locomotives and 120,000 cars in good condition with 3,600 locomotives and 145,000 cars needing repairs. This has been considerably reduced and this year a new Commission of the Russian Government does not record more than 4,000 locomotives and 95,000 cars.

Brazil's Transport Difficulty

According to La Nacion, the Minister of Public Works, the Congressional Committees and the managers of the Brazilian railways met recently with a view of finding a solution to the transportation problems in Brazil. At the meeting it was suggested that the Brazilian Government should take up the matter diplomatically with the United States in an effort to obtain rolling stock, in order to enable residents of the interior of Brazil to find a better and more profitable market for their goods.

Danish Railways Run by U. S. Coal

Owing to the British coal strikes several contracts were made with agents for American coal merchants. According to reports the General Director of the Danish State Railways said that the Danish railway authorities have bought large quantities of coal in the United States. He is satisfied with this coal and wants imports from America to continue American coal is slightly more expensive in Denmark than British coal, and it is reported that the Scandinavians will have to buy it if they do not wish to be without coal during the coming winter.

Railway Extensions in Columbia

London.

Modern Transport states that $100,000 is to be raised for the completion and extension of the railway from Tolima to Ibagne. A trial trip has already been made over the Gualanday Divide.

Plans are being prepared for the construction of the Uraba Railway, and when ready will be submitted to the National Congress of the Republic.

A further extension of the Sabana Railway is also to be carried out which extension will run from Facativa to Pacho.

British Westinghouse Becomes Metropolitan Vickers

The name of the British Westinghouse Electric & Manufacturing Company, Limited, has been changed to Metropolitan-Vickers Electrical Company, Limited, following an amalgamation with the extensive Vickers interests of the Metropolitan Carriage, Wagon & Finance Company, Ltd.

From its inception in 1899 until 1917 the British Westinghouse Electric & Manufacturing Company, Ltd., was controlled by American interests, but in 1917 the American holdings were taken over by the Metropolitan Carriage, Wagon

& Finance Company, Ltd., followed later by amalgamation with the Vickers interests.

The change of name will not affect the general policy of the company. As a direct result of the amalgamation, much additional strength will be gained, allowing particularly greater possibilities of competition in the markets of the world.

$25,000,000 Loan to China

A loan of $25,000,000 to the Republic of China, which has been arranged with the consent of the Four Power Consortium, will shortly be offered in this country by a syndicate headed by the Continental & Commercial Trust Co. and the Chase Securities Corp.

The proceeds of the loan will be used for the development of railroad properties in China. The first offering, unless the plans are changed, will be limited to $15,000,000, but it is expected that later offerings will raise the total to $25,000,000, if this amount is not offered in the first place.

The loan is the first that has been authorized by the consortium.

Proposed Electrification of Italian Railways

The London Times Trade Supplement reports that the Council of Ministers has approved a scheme, proposed by the Transport Minister, De Vito, for the electrification of the State railways. The bill provides for the exploitation of the national water power resources and their utilization for propulsion. The first programme, which limited the improvement to 2,000 kilometers is now extended to 6,000 kilometers. This includes the two principal trunk lines across the Apennines, viz., the two "Direttissime", Genoa-Tortone and Bologna-Florence, eight mountain passes and the principal arteries of the railway system of the peninsular from Trient to Reggio, Calabria, or from Turin to Trieste. The bill provides for an expenditure of 800,000,000 lire spread over eight years. Other sums are provided for the acquisition of material and for the government's subsidies to the new plants. The bill will be submitted to the King shortly. The Trentino alone can provide at least 1,000,000 horse-power, while the mountain basins of numerous rivers and torrents along the Alps and the Apennines can be transformed into artificial lakes.

Exports of Locomotives in August

Exports of locomotives in August totaled 69, a value of $1,539,540. This was considerably more than in July, but not as great as the exports of some of the preceding months. One-half the August total from the standpoint of value were destined for Japanese China. The figures in detail as compiled by the Division of Statistics of the Bureau of Foreign and Domestic Commerce are as follows:

Countries	Number	Dollars
Canada	7	57,865
Cuba	5	57,595
Dominican Republic	1	6,200
Bolivia	1	19,500
Brazil	5	162,990
Chile	18	198,583
Ecuador	1	11,400
Paraguay	1	10,600
Peru	5	18,694
Japanese China	16	833,600
British India	2	17,205
Philippine Islands	5	116,508
British South Africa	2	28,800
Total	69	1,539,540

New Locomotives for Indian Railways

London.

An extract from Modern Transport states that the Indian State Railways have placed contracts with the Vulcan Foundry, Limited, of Newton-le-Wiliows, Lancs, for 82 0—6—0 type locomotives; with the Hunslet Engine Co., Lt., for 26 4—6—0 type locomotives, and 70 2—8—0 type locomotives from Messrs. Kitson & Co., Limited, of the Airdale Foundry, Leeds. The North British Locomotive Co., Limited, of Glasgow, has an order for thirty broad gage and five meter gage locomotives for the Bengal-Nagpur Railway. Sir W. G. Armstrong Whitworth & Co., Limited, are to deliver 25 2—8—0 type broad gage locomotives for the Bombay, Baroda & Central Indian Railway, and 17 2—8—0 type broad gage locomotives for the Madras & Southern Mahratta Railway. Nasmyth, Wilson & Co., Limited, of Patricroft, Manchester, have orders for the delivery of 17 locomotives for the Burma Railway, 12 for the Assam-Bengal Railway, 10 for the Eastern Bengal State Railway, 10 for the South Indian Railway, and 9 for the Nizam's Guaranteed State Railway All these locomotives are to be fitted with the Robinson type super-heater.

The Great Indian Peninsular Railway has recently placed contracts with the North British Locomotive Co., Ltd., of Glasgow, for 100 locomotives for their broad gage (5 ft. 6 in.) lines, comprising 30 2—10—0 type engines, 60 2—8—0 type goods engines and 10 0—8—4 "Ghat" tank locomotives, and an order has been placed with the Vulcan Foundry, Ltd., for 4 standard 4—6—0 passenger engines.

Exports of Car Wheels and Axles in August

The exports of car wheels and axles in August totaled $1,302,546, nearly one-half of which total was destined for Japan. There were also large shipments to British India and to France. The figures as compiled by the Division of Statistics of the Bureau of Foreign and Domestic Commerce are as follows:

Countries	Dollars
France	111,829
Italy	30,654
Norway	56,680
Scotland	9,163
Canada	17,936
Costa Rica	816
Honduras	480
Salvador	546
Mexico	239
Jamaica	212
Cuba	29,773
Dominican Republic	333
Argentina	19,770
Brazil	29,647
Chile	5,800
Colombia	1,875
Ecuador	145
Peru	10,497
China	81,648
Japanese China	37,064
British India	282,202
Dutch East Indies	13,958
Japan	546,554
Turkey in Asia	2,500
Australia	574
Philippine Islands	8,799
British South Africa	2,852
Total	1,302,546

Portuguese East African Railway Development

At present only one railway line has been constructed in the Beira district, running from Beira to Macequece and Umtali, called the Beira & Mashonaland Railway, and operated entirely by British employees. Another railway is, however, about to be constructed. It will link up the Central African Railways with Beira, and will be constructed from Chindio, on the Central African Railways, to a point on the Beira and Mashonaland Railway about 20 miles out of Beira. The total distance will be about 200 miles, and the survey has been completed. The gage is to be 3 ft. 6 in., the gage common to nearly all the South African Railways.

As at present the Beira and Mashonaland Railways as far as possible obtain all their supplies in the United Kingdom, it is probable that efforts will be made to secure materials required for construction and the necessary rolling stock for this new line in the United Kingdom also.

The line presents no abnormal difficulties, excepting the bridge over the Zambezi, and the estimated time for construction is two years. One of the effects of this line will be that, although Morromeu will send its sugar to Chinde by the Zambezi River, Sena and all the factories in that district will certainly despatch their sugar by rail. Instead of loading sugar at Sena, transshipping it at Chinde, and possibly again transhipping it at Beira, the sugar will be railed to Beira and shipped to its destination.

There is also a possibility though no survey has yet been made, that a railway will be constructed from Melsetta to Villa Perry. Should this line be constructed, a large area of farming land would be opened up. A plan has been passed,

and the work is to be executed immediately, for deepening the lighter channel so that lighters can approach the wooden jetties at all states of the tide to load or discharge cargo. A very great saving in time will ensue from this work, as at present at low tide work is almost at a standstill.

Exports of Railway Track Materials in August

The exports of railway track material in August were greater than in July, but not as great as in June or May. Of spikes, 4,009,107 pounds, valued at $216,154, were exported in August as compared with exports in July of 3,803,927 pounds, valued at $209,054. The August exports of rails totaled 48,700 tons, valued at $2,768,558 as compared with July exports of 32,707 tons, valued at $1,870,583. August exports of switches, frogs, etc., totaled $538,914 as compared with $289,232 in July. Nearly one-half the August shipments of rails went to Japan.

The detailed prices for August as compiled by the Division of Statistics of the Bureau of Foreign and Domestic Commerce are as follows:

Countries	Spikes Pounds	Spikes Dollars	Steel Rails Tons	Steel Rails Dollars	Switches, Frogs, Splice Bars, etc. Dollars
Belgium	158,760	11,163	10	537	1,151
Denmark	....	....	229	14,790	1,740
France	145,432	8,636	717	39,715	....
Netherlands	....	....	893	41,473	1,329
Norway	....	....	30	1,500	....
Portugal	....	....	...	....	1,014
Spain	....	....	79	4,810	5,700
Sweden	....	....	100	7,774	338
England	....	....	...	....	1,013
Scotland	....	....	406	25,245	487
Canada	294,600	10,669	733	35,807	16,404
Guatemala	800	68	...	....	....
Honduras	23,070	1,048	70	1,211	612
Nicaragua	200	12	...	....	....
Panama	50,000	1,801	110	4,984	4,539
Salvador	62,100	2,484	948	50,532	4,233
Mexico	319,800	12,341	2,545	96,760	33,531
Jamaica	....	....	...	....	2,505
Other British West Indies	....	....	...	....	111
Cuba	370,524	11,948	7,829	458,584	39,954
Danish West Indies	1,696	150	...	....	....
French West Indies	2,200	88	90	3,803	....
Dominican Republic	7,000	295	51	2,328	903
Argentina	91,797	8,249	...	....	....
Bolivia	52,000	3,452	29	1,617	11,116
Brazil	186,188	12,948	1,286	79,276	24,814
Chile	21,128	822	25	1,170	18,460
Colombia	153,400	6,100	...	....	70
Ecuador	20,000	731	...	....	906
British Guiana	....	....	...	....	110
Paraguay	460	42	...	....	....
Peru	309,216	24,049	606	39,017	12,442
Uruguay	....	....	...	....	168
Venezuela	....	....	26	1,425	269
China	101,900	3,192	1,060	66,544	5,133
Japanese China	....	....	1,742	131,450	....
British India	....	....	209	11,612	945
Straits Settlements	....	....	39	2,544	96
Dutch East Indies	476,176	42,991	3,129	157,986	46,372
Japan	938,869	39,888	20,475	1,160,316	22,652
Siam	66,528	5,291	3,228	197,860	....
Australia	8,392	473	...	....	1,867
New Zealand	....	....	434	26,491	1,245
Philippine Islands	142,700	6,974	150	11,500	3,625
British South Africa	4,171	213	292	17,512	258,306
British East Africa	....	....	200	11,669	3,234
Portuguese Africa	....	....	930	60,716	11,520
Total	4,009,107	216,154	48,700	2,768,558	538,914

To Extend Quebec Hotel.—President Beatty of the Canadian Pacific has announced that his company will spend over $2,000,000 in the extension of the Chateau Frontenac Hotel at Quebec, Canada.

England, with an area of less than the State of New York is planning to invest $17,000,000 in a ten year campaign to reforest 250,000 acres of land, so as to replace for future commercial use the timber used in France during the war.

Wages of Japanese Laborers.—The average wage for an unskilled Japanese male laborer to-day is 2s. ($.48) and for a female laborer 1s. 4d. (.32); for a skilled male laborer it is from 5s. ($1.20) to 7d. ($1.68) per day. These rates are about 70 per cent above pre-war rates. Besides the daily rates, however, yearly bonuses are given of a month's wages, and often considerably more. The working hours may be given generally as 70 hours per week, and the amount of work produced per hour by a Japanese workman may be put down very roughly at one-half of that produced by an average British workman where large jobs and heavy machinery are concerned. As regards holidays, the general rule is to close down twice a month only, about the 1st and the 15th.—*The Engineer, London.*

Equipment and Supplies

Locomotives

The Birmingham Southern is inquiring for two locomotives.

The Chesapeake & Ohio is inquiring for five Pacific type locomotives.

The Pennsylvania Equipment Company, 1420 Chestnut street, Philadelphia, Pa., is in the market for a second-hand, standard gage gasolene locomotive.

Freight Cars

A. J. Coccaro, 1 Broadway, New York, is inquiring for 51 half-ton capacity cane cars for export.

Gaston, Williams & Wigmore, 39 Broadway, New York City, is inquiring for 6 box cars and 6 flat cars.

The Youngstown Sheet & Tube Company, Youngstown, Ohio, is inquiring for 7 tank cars of 10,000-gal. capacity.

W. R. Grace & Co., New York City, has ordered 60 all-steel flat cars for export from the American Car & Foundry Company.

The L. O. Steinbeck Lumber Company, Charleston, W. Va., has ordered 10 15-ton narrow-gage logging cars from the American Car & Foundry Company.

The Union Tank Car Company has distributed an order for 2,000 tank cars between the Standard Steel Car Company, the Cambria Steel Company and the Pressed Steel Car Company.

Passenger Cars

Gaston, Williams & Wigmore, 39 Broadway, New York City, are inquiring for six passenger cars.

Iron and Steel

The Government of Netherlands has ordered through its New York office 15,000 tons of steel rails for export to the Dutch East Indies.

Mitsui & Co., 65 Broadway, New York, are in the market for export for 3,300 steel high-tension transmission towers, and the necessary insulation material.

The Pennsylvania Railroad System is inquiring for 200,000 tons of steel rails to be delivered after the termination of the federal control of the railroads.

The Baltimore & Ohio has ordered 5,600 tons of bridge steel from the American Bridge Company, for its bridge over the Allegheny river at Pittsburgh, Pa.

The Southern Railway has ordered 2,300 tons of bridge steel from the American Bridge Company, for its bridge over the Tennessee river at Chattanooga, Tenn.

The Northern Railway of Costa Rica has ordered, through the United Fruit Company, a 103-ft. riveted truss span bridge from the U. S. Steel Products Company.

Perin & Marshall, 2 Rector street, New York, has given an order to the Consolidated Steel Company for 2,357 tons of 30-lb. steel rail; also for the necessary splices, bolts and dog-eared spikes; and for 50 complete turnouts for the Mysore State Railways (India).

Sophus Berendsen is inquiring for 210 tons of 116-lb. groove rails with the necessary angle plates, tie bars and bolts, to be laid on the wharves in connection with harbor improvement

work, and has ordered from the United States Steel Corporation 1,500 tons of 94-lb. rails and the necessary accessories for the Copenhagen Tramways (Denmark).

RODNEY D. CHIPP, United States representative at New York, of the Parana Railway, Brazil, is inquiring for 51 tons of 44-lb. rail, 3,000 pairs of splice bars, 10,000 splice bolts, 1,000 track screws, 8 complete switches, 2 velocipedes and 15 extra wheels, and for the Sao Paulo Rio Grande Railway, 370 tons of 50-lb. rail, 146,500 splice bolts, 2,000 track screws, 21 complete switches, 6 velocipedes and 18 extra wheels.

THE UNITED FRUIT COMPANY has given orders to the United States Steel Products Company as follows: For 2,357 tons of 60-lb. rail for its lines in Cuba; for 2,357 tons for its lines in Costa Rica; for 2,263 tons for the Trujillo Railroad in Honduras, and for 230 tons of steel for three bridges to be erected on the Cuba lines. A contract has also been given to the Lackawanna Bridge Company for a 210-ft. steel span to be built on the Trujillo Railroad.

Machinery and Tools

THE PENNSYLVANIA, LINES WEST, are inquiring for a large number of machine tools for shops at Columbus, Ohio, Crestline and Stark, and at Terre Haute, Ind.

THE TELA RAILROAD, Honduras, has ordered the following shop equipment through the United Fruit Company: a driving wheel lathe, car wheel press, car wheel boring machine, steam pile hammer and a crank shaper.

Track Specialties

THE ONEIDA & WESTERN is inquiring for 12 miles of 40-lb. relaying rails with angle bars and spikes.

Miscellaneous

SOPHUS BERENDSEN, 15 Broad street, New York, is inquiring for 85 copper firebox plates to have a tensile strength of 32,700 lb. to the square inch. These plates are for the Danish State Railways.

THE DU PONT CHEMICAL COMPANY, Wilmington, Del., is disposing of the equipment used in its war plants and has issued a circular giving a list of the machinery, equipment and material which is for sale, including machine shop and foundry equipment, power plant equipment, etc.

Signaling

THE CANADIAN NATIONAL RAILWAYS have ordered from the Federal Signal Company, Albany, N. Y., a mechanical interlocking for Villeroy, Quebec; Saxby & Farmer, 32 levers.

THE PENNSYLVANIA, LINES WEST, have ordered material for an all-electric interlocking plant at Leetonia, Ohio, from the General Railway Signal Company, Rochester, N. Y., 52 working levers and 20 spare spaces.

AMERICANIZATION WORK among foreign born employees of Chicago industrial plants, conducted by the committee on Americanization of the Chicago Association of Commerce in collaboration with the Board of Education has grown remarkably since it was started a year ago. More than 6,000 students are attending 65 classes which hold sessions in 30 different plants.

THE HIGHWAY AUTHORITIES OF GREAT BRITAIN, according to a report received by the Bureau of Foreign and Domestic Commerce, have made grants, to July 31, 1919, amounting to $45,500,000 for the repair of roads and bridges in the British Isles. This grant was divided as follows: England, $39,240,000; Scotland, $2,640,000; Ireland, $645,000; Wales, $2,975.000.

Supply Trade News

The **Bowen Motors Railway Corporation,** Terre Haute, Ind., has completed plans for a plant to produce gasoline-propelled passenger cars.

The **C. A. S. Engineering Company,** 790 Woodward Ave., Detroit, Mich., has been appointed Detroit district representative of the Pollak Steel Company, Cincinnati, Ohio.

The Terre Haute, Ind. plant of the **American Car & Foundry Company,** was damaged by fire, on October 7, causing a loss of $100,000. Rebuilding will be started immediately.

W. Russell Walsh, son of W. J. Walsh, district manager of the Galena-Signal Oil Company at Chicago, has recently become associated with the **Glidden Company,** Cleveland, Ohio,

The Edgewater Steel Company, Pittsburgh, Pa., has appointed **Rank & Goodell,** 906 Merchants Ban kBuilding, St. Paul, its selling agents for St. Paul, Minneapolis, Duluth and adjacent territory.

R. H. Brown, Jr., of the St. Louis, Mo., office of the Ingersoll-Rand Company, New York, has been appointed manager of the new office of the company in the Sam Houston Life building at Dallas, Tex.

Mudge & Co., Chicago, has completed the construction of its new railway motor car plant at Chicago. **C. P. Benning,** assistant general manager, with headquarters at Chicago, has been appointed factory manager.

The **Steel & Tube Company of America,** Chicago, is asking for bids on an additional merchant blast furnace stack to be erected either at South Chicago, Ill., or Indiana Harbor, Ind. The capacity will be rated at about 600 tons per day.

The **Lyon Metallic Manufacturing Company,** Aurora, Ill., has opened a New England district sales branch at 161 Devonshire street, Boston, Mass., in charge of **J. B. Throckmorton,** formerly New York City representative of the company.

The **Pettibone-Mulliken Company,** Chicago, manufacturers of railroad specialties, has awarded a contract to Westinghouse, Church, Kerr & Company, New York City, for a one-story foundry, 150 ft. by 240 ft. at Chicago, to cost $200,000, including equipment.

C. E. Hutchison, formerly district representative at St. Louis, Mo., of the La Belle Iron Works, Steubenville, Ohio, has resigned to become associated with the Youngstown Sheet & Tube Company, Youngstown, Ohio, with headquarters at Cleveland, Ohio.

Dan Greene, who has been engaged in the Signal Valuation department of the Wabash at Decatur, Ill., has been appointed service engineer in the railroad sales department of the **National Carbon Company, Inc.,** Cleveland, Ohio, with headquarters at Chicago.

The **Rock Island Brake Shoe & Foundry Company,** Rock Island, Ill., has been incorporated with $200,000 capital stock to manufacture brake shoes and other railway supplies. The incorporators are **Simon Lewis, Hyman Lewis** and **M. I. Morris,** all of Rock Island.

The Detroit Lubricator Company, Detroit, Mich., is making additions to its plant, which include a new general office building and a new machine shop. The construction will cost $500,000 and is such as to admit of adding more stories to the building as necessity may require.

Robert N. Dickman, mining engineer on the staff of **Robert W. Hunt & Company,** engineers, Chicago, died on September 14, at La Jolla, Cal., following an operation. Mr. Dickman was formerly associated with the mining engineering firm of Dickman & MacKenzie.

G. E. Anderson, formerly assistant to vice-president of the American Locomotive Company, has been appointed assistant eastern sales manager, of the **Duff Manufacturing Company,** Pittsburgh, Pa., with headquarters at its eastern sales offices, 50 Church street, New York.

The **Pollak Steel Company,** Cincinnati, Ohio, has appointed the **C. A. S. Engineering Company,** 790 Woodward avenue, Detroit, Mich., as its representative in the Detroit district, which embraces Michigan and northern Ohio, including the cities of Toledo, Elyria and Cleveland.

John B. Jordan, assistant manager of the railroad sales department of the **Crane Company,** with headquarters at Chicago, has been appointed manager of the department with the same headquarters, succeeding **F. D. Finn** who has been granted an indefinite leave of absence.

The Railway Signaling Text Book Corporation, Utica, N. Y., has filed articles of incorporation at the office of the secretary of state, Albany, N. Y., to deal in school supplies; capital $60,000. The incorporators are H. C. Williams, H. L. Strobel, and A. M. Kieffer, all of Utica.

The Ohio Brass Company, Mansfield, Ohio, has been given an order to replace all couplers on the electrically operated cars of the Long Island Railroad, with the Tomlinson coupler which, in addition to coupling the cars connects the air pipe. A total of 154 cars will be equipped in this way.

H. V. McKedy, assistant to the vice-president in charge of sales of the American Locomotive Company, has severed his connection with that company. He has been appointed eastern railway representative of the **Glidden Company,** Cleveland, Ohio, with headquarters at 636 West 34th street, New York City.

W. W. Herron has organized the **Herron Lumber Company** with office in the Henry building, Seattle, Wash., and will make a specialty of shipments to railroads, railroad contractors, and car manufacturers. The new company will take over the interest of the Herron Company of Seattle and will maintain the latter's branch office in Chicago.

The **T. H. Symington Company,** New York, announces that at the meeting of its board of directors held in New York on October 22, **C. J. Symington** was elected president in charge of sales and operation, vice **T. H. Symington,** elected chairman of the board, both with headquarters at New York. **Donald Symington,** vice-president in charge of operation at Rochester has resigned from the company.

Dr. Leonard F. Fuller has been appointed assistant manager of the insulator factory at Barberton, Ohio of the **Ohio Brass Company,** Mansfield, Ohio. Dr. Fuller did some notable work in connection with the laboratories of the Federal Telegraph Company at Palo Alto, Cal., and in recognition of his work in wireless telegraphy, was recently given the degree of Ph.D. in Electrical Engineering by Leland Stanford University.

A. G. Gibbons has become associated with the **Wetmore Reamer Company,** Milwaukee, Wis., as production engineer. He was formerly superintendent of tools and supplies for Winslow Brothers Company, Chicago. He also served with the Cadillac Company and the Brown & Sharpe Manufacturing Company for many years. The Wetmore plant has been re-arranged and additional equipment installed under the direction of Mr. Gibbons.

Valentine Winters, president of the Winters National Bank, Dayton, Ohio, has been appointed receiver for the **Barney & Smith Car Company,** of that city, on petition of Frank H. Ballman and Edwin U. Irvin, partners, doing business as Ballman & Irvin of Cincinnati. Suspension of the business of building and equipping both freight and passenger cars, caused by the war, is defined as the chief reason for the receivership action. The receiver has been authorized to borrow on receiver notes to the extent of $100,000 with which to carry on the business. The company, it is set forth, possesses assets largely in excess of the liabilities, but it is unable to meet the liabilities as they mature.

Railway Construction

CANADIAN NATIONAL RAILWAYS.—This system has let contracts for building about 410 miles of line as follows: To Grant, Smith & McDonell, Ltd., Calgary, Alta., 25 miles on the Arcadia Valley branch; the Western Construction Company, Ltd., North Battleford, Sask., 21 miles on the Jackfish Lake branch from mile 61.95 to mile 83, and on the Luck Lake branch from mile 13.64 to mile 35, a distance of 21.36 miles. On the Peebles-Lampman branch 20 miles has been let to the Canadian Construction Company, Ltd., Winnipeg, Man., on the Swift Current branch 27 miles from mile 92 to mile 120 to Gibbs Brothers, Gravelbourg, Sask.; on the Peace River branch 38 miles, beginning at mile 34 has been let to Malcolm McCrimmon & Son, Edmonton, Alta.; on the Thunderhill branch, 9 miles from mile 100 to D. R. & D. J. McDonald, Netherill, Sask.; on the Munson-Wayne branch a contract has been let for double tracking from mile 312 to 322 to J. Manning, Drumheller, Alta., and on the Rosebud Creek diversion, Carter-Halls-Aldinger Company, Ltd., Winnipeg, has a contract for the Calgary subdiversion. The Canadian Construction Company, Ltd., also have received contracts for two extensions on the Hanna-Medicine Hat branch for a total of 88 miles, and J. W. Stewart & Co., Winnipeg, has received contracts covering 150 miles of construction on the following branches: 35 miles on the Eston southeasterly line, 30 miles on the Melfort northeast line, 28 miles on the Melfort-Humbolt branch, 15 miles on the Amaranth extension, 22 miles on the Oliver northeast branch and 20 miles addition on the Amaranth extension to Ste. Rose du Lac north.

CANADIAN NATIONAL.—Extensive improvements have been made by this road on its lines through Alberta, Canada. A second track has been completed between Munson Junction, Alta, and Drumheller, a distance of 11 miles, and is being extended to Wayne, a further distance of 7 miles. On this stretch a 300-ft. tunnel is being built, together with a number of diversions to eliminate a number of Trestles along the Rosebud and Red Deer River valleys. At Drumheller a new freight yard accommodating 750 cars and a new roundhouse have been completed.

A branch line extending from Peace River Junction, Alta., to Whitecourt, a distance of 78 miles, is nearing completion. Freight service is in operation from Peace River Junction to Sangudo, 31 miles, and grading and preparation for track laying have been completed to Whitecourt.

The Canadian National is also improving its station at New Glasgow, N. S., by building a brick extension, two stories high, 38 ft. wide and 41 ft. long. The work is being carried out by company forces.

PENNSYLVANIA, LINES WEST.—Officers of this road and the municipal officers of the Akron, Ohio, have signed an agreement to collaborate in the construction of a temporary grade separation viaduct at South Main street and Miller avenue in Akron. As soon as the signatures of officers of the Baltimore & Ohio and Erie, both of which roads are interested in the project, are obtained, the work will be started, The articles signed include a plan providing for a structure across the south Main street yard at Miller avenue, which will serve to carry traffic over tracks in the southern end of the city while viaducts are being built over other crossings. The cost of the temporary structure is estimated to be $150,000.

TIDEWATER SOUTHERN.—A survey has been completed for proposed extension from Hilmar, Cal., 62 miles southerly to the San Joaquin River, at a point known as Skaggs Bridge. It has not been decided when construction work on this line will be started.

THE ITALIAN ECONOMIC MISSION to the United States has had its departure postponed until October 15.

TO CREATE PUBLIC SENTIMENT for the Plumb plan, a large mass meeting was held in the Hippodrome Theatre at Pottsville, Pa., on September 29, under the auspices of the Plumb Plan League of that city.

Railway Financial News

ARTESIAN BELT.—The sale of the Artesian Belt to Harry Landa of New Braunfels, Tex., J. E. Jarrett and W. R. Wiseman of San Antonio, Tex., and others, for $167,500, has been confirmed by the court at Jourdanton, Tex. The purchasers will organize a company and will continue to operate the line. The road extends from Kirk, Tex., to Christine, a distance of 45 miles. An increase in traffic is expected from the development of the Somerset oil fields.

CENTRAL OF GEORGIA.—Charles H. Markham has been elected chairman of the board of directors to succeed Charles A. Peabody, resigned.

CHICAGO & NORTH WESTERN.—This road has obtained authority from the Public Utilities Commission of Michigan to issue unsecured five and one-quarter per cent promissory notes in the aggregate amount of $800,000 for the purpose of enlarging and extendng the capacity of its rain elevator and inter change facilities connected therewith in Chicago. The notes will be issued in denominatons of $1000 and $5000 and shall be made payable at the rate of $100,000 per year.

CLEVELAND, CINCINNATI, CHICAGO & ST. LOUIS.—This company has applied to the Public Utilities Commission of Ilinois for leave to execute its refunding and improvement mortgage, dated June 27, 1919, and to issue bonds thereunder to an amount not exceeding $20,000,000. The petition filed by this company also asked for rehearing and for modification of the order dated July 1, 1919, and elimination from this order of provisions for the payment of a fee by the petitioner for authority to issue bonds.

GEORGIA COAST & PIEDMONT.—Judge Evans of the United States District Court at Savannah, Ga., on October 18 confirmed the sale of this road to H. H. Dean, of Gainesville, Ga., for $426,500. The business interests of Brunswick, Ga., and points along the line put in a bid for $410,000, with a view of operating the railway as a going concern. Mr. Dean announced after the sale that the road would be dismantled except a small portion of a few miles which he had sold to the citizens of Reidsville, Ga., for $3,500 a mile. The bridge over the Altamaha river at Darien, which is five miles long and practically the only passageway for motor traffic between Jacksonville and points north, is offered for sale by Mr. Dean.

GREAT NORTHERN.—Seward Prosser, president and director of the Bankers Trust Company of New York, has been elected a director succeeding Roger Shepard of St. Paul, Minn.

GULF, FLORIDA & ALABAMA.—H. B. Thorne, vice-president of the Metropolitan Trust Company of New York, representing the bondholders' committee purchased this road, on October 14 at Pensacola, Fla., for $500,000. A new company to be known as the Pensacola, Gulf & Northern is being organized to operate the property.

ILLINOIS CENTRAL.—After a long legal battle the Cook County (Chicago) Board of Review has ruled that the Illinois Central must pay taxes amounting to $300,000 on approximately $10,000,000 worth of stocks and bonds of other corporate organizations, held by the company. The railroad company had maintained for years that the bonds were not subject to taxation. The city attempted to collect taxes this year and when the railroad objected the case was taken to the Board of Review. The contention of the city's corporation counsel that the bonds were nonchartered property and taxable was sustained. Immediately after the return of the decision, E. J. Brundage, attorney-general of Illinois, announced that he would file claims for back taxes on the stock and intimated that a large sum would be involved.

INTERNATIONAL & GREAT NORTHERN. — An extension until November 1, 1922, with interest at 7 per cent has been granted on the $11,290,500 first mortgage 6 per cent bonds of this company, due November 1, 1919.

Railway Officers

Railroad Administration

Central

Major C. E. Lester has been discharged from military service and appointed assistant supervisor of equipment with the Railroad Administration at Meadville, Pa.

General

J. A. Gordon, general manager of the Detroit, Toledo & Ironton has been appointed federal manager, with headquarters at Detroit, Mich. **G. W. Eckerle,** assistant to Mr. Gordon as general manager, has been appointed assistant to him as federal manager and also purchasing agent, with headquarters at Detroit.

H. B. Sargent has been appointed federal manager of the Alabama & Vicksburg, the Louisiana & Mississippi Transfer and the Vicksburg, Shreveport & Pacific with headquarters at Vicksburg, Miss., succeeding **E. H. Coapman** as federal manager of the first two mentioned roads and **J. A. Edson** of the Vicksburg, Shreveport & Pacific.

Regional

H. D. Brown, assistant to the transportation assistant to the regional director of the Central Western region, has been promoted to transportation assistant, succeeding **Frank E. Clarity,** who has been promoted.

Gentry Waldo, district freight traffic committeeman of the Dallas district of the Southwestern region and traffic manager of the San Antonio & Aransas Pass, with office at Houston, Tex., has been promoted to traffic assistant to **B. F. Bush,** regional director, of the Southwestern region, with office at St. Louis, Md., succeeding **H. M. Adams,** who has resigned.

Operating

W. T. Peyton, superintendent of the Fort Worth Belt, has been appointed terminal manager with headquarters at Fort Worth.

Thomas E. Coyle, trainmaster on the Tacoma division, Northern Pacific, with headquarters at Tacoma, Wash., has resigned.

D. F. Kirkland, terminal manager of the Atlanta Terminal, with headquarters at Atlanta, Ga., has been appointed superintendent also.

R. B. Willimason has been appointed superintendent of claim prevention of the Missouri Pacific with headquarters at St. Louis, Mo.

J. McNaught, train master of the Great Northern, with headquarters at Minneapolis, has been appointed superintendent of terminals with the same headquarters, succeeding **P. L. Clarity,** transferred.

E. G. DeLong has been appointed assistant trainmaster on the Toledo division of the Pennsylvania, Western Lines, with office at Toledo, Ohio, succeeding **F. A. Watkins,** who has been assigned to other duties.

G. H. Moore, has been released from military service and appointed trainmaster of the Shasta Division, Southern Pacific, with headquarters at Dunsmuir, Cal., succeeding **H. G. McCarthy,** assigned to other duties.

Guy M. Lawrence has been appointed acting trainmaster, Lake Superior division, of the Northern Pacific Railway Company with headquarters at Duluth, Minn., succeeding **Henry J. Councilman** appointed committeeman for the United States Railroad Administration.

B. J. Peasley, master mechanic of the Vicksburg, Shreveport & Pacific, has been appointed superintendent of motive power of that road and of the Alabama & Vicksburg and the Louisiana & Mississippi Transfer at Monroe, La. **J. F. Stanton** has been appointed superintendent of car service at Vicksburg, Miss.

B. L. Bugg, superintendent of the Atlanta Terminal, has been appointed general manager of the Atlanta, Birmingham & Atlantic, the Charleston & Western Carolina and other roads under the direction of E. T. Lamb, federal manager, with headquarters at Atlanta, Ga., succeeding **W. R. Hudson,** deceased.

R. H. Smith, assistant division superintendent of the Pocahontas division of the Norfolk & Western has been appointed assistant superintendent of the Radford division, with office at Roanoke, Va., succeeding **A. S. Payne,** promoted. **W. O. Tracy** has been appointed Mr. Smith's successor with office at Bluefield, W. Va.

W. H. Johnson, superintendent of terminals of the Norfolk & Western, at Roanoke, Va., has been appointed superintendent of terminals at Norfolk, succeeding **B. W. Brownell,** resigned. **A. S. Payne,** assistant division superintendent of the Norfolk & Western has been appointed to succeed Mr. Johnson as superintendent at Roanoke.

W. F. Schmitz, assistant trainmaster of the Chicago, Milwaukee & St. Paul, Sioux City & Dakota division, has been appointed trainmaster of the Hastings & Dakota division with headquarters at Montevideo, Minn., succeeding **H. L. Bigg,** resigned. **C. F. Urbutt,** district engineer with office at Chicago, has been appointed Mr. Schmitz's successor.

Elmo Hodges, assistant chief clerk to the manager of the Galveston, Harrisburg & San Antonio, has been appointed assistant superintendent of the Southern Pacific, Louisiana Lines, with headquarters at Lafayette, La., succeeding **W. S. Middlemas,** resigned. **Mr. Hodges** began railroad work in 1906 as yard clerk with the Houston & Texas Central. In 1908, he became roadmaster's clerk of the same road; two years later, division accountant and in 1914 was appointed chief clerk to the superintendent. The following year he went to the Galveston, Harrisburg & San Antonio as head clerk in the auditor's office at Houston, Texas. In 1917 he returned to the position he had resigned with the Houston & Texas Central and again resigned shortly after to accept chief clerkship to the assistant general manager of the Galveston, Harrisburg & San Antonio. From March until September of this present year he held the position from which he received his recent promotion.

Financial, Legal and Accounting

E. L. Mitten, has been appointed auditor of passenger traffic of the Pere Marquette with office at Detroit, Mich., succeeding **F. W. Niemann,** who has resigned.

A. J. Silham, acting cashier and paymaster of the Chicago & Eastern Illinois, with office at Chicago, has been appointed cashier and paymaster with the same headquarters, succeeding **John H. Pratt,** deceased.

C. H. Nero has been appointed auditor of passenger receipts of the New York, New Haven & Hartford, the Central New England and other roads under the supervision of **H. S. Palmer,** federal auditor, succeeding **H. W. Snow,** assigned to other duties.

Fred Horton, general accountant for the Pere Marquette, with office at Detroit, Mich., has resigned to become federal auditor of the Grand Trunk, Western Lines, with the same headquarters, succeeding **J. L. Talbott.** Mr. Talbott retains his position as federal auditor of the Pere Marquette with office at Detroit.

H. H. Leroy, auditor of the Vicksburg, Shreveport & Pacific, with headquarters at New Orleans, La., has been appointed federal auditor of the same road as well as of the Alabama & Vicksburg and the Louisiana & Mississippi Transfer with the same headquarters. **Udolpho Wolfe,** local treasurer with headquarters at New Orleans, has been appointed federal treasurer with the same headquarters.

Fitzgerald Hall, assistant general solicitor of the Nashville, Chattanooga & St. Louis, the Tennessee Central and the Birmingham & Northwestern, with headquarters at Nashville, Tenn., has been appointed general solicitor to fill the vacancy created by the death of **Judge Claude Waller,** who died December 7, 1918.

Traffic

D. R. Lincoln, has been appointed assistant freight traffic manager of the Missouri Pacific, with office at St. Louis, Mo., succeeding **W. A. Rambach,** promoted.

William T. Boardman has been appointed general freight and passenger agent of the Mississippi Central with office at Hattiesburg, Miss., succeeding **H. R. Wilson,** who has resigned.

Warren H. Fogg has resigned as consolidated ticket agent for the Railroad Administration and returned to his former position, district passenger agent of the Central of Georgia at Atlanta, Ga.

Hiram M. Pearce, traffic manager of the Chicago, St. Paul, Minneapolis & Omaha, with headquarters at St. Paul, Minn., has been appointed general traffic manager with the same headquarters.

John A. Jackson, general freight agent of the Gulf, Mobile & Northern, with office at Mobile, Ala., has been promoted to federal general freight and passenger agent of the Gulf, Mobile & Northern and the Meridian & Memphis, with the same headquarters.

N. J. Brennan, of the commercial agent's office of the Michigan Central, at Toledo, Ohio, has been appointed freight representative succeeding **A. W. Billington,** who has resigned to become general agent for the Toledo Distributing & Forwarding Co., Toledo.

W. E. Callender, division passenger agent of the Chicago & Eastern Illinois with headquarters at Evansville, Ind., has been transferred to Chicago succeeding **S. M. Childs,** resigned to enter other business. **O. B. Lozier,** division passenger agent at Chicago, succeeds Mr. Callender at Evansville.

W. A. Rambach, assistant freight traffic manager of the Missouri Pacific, has been appointed freight traffic manager of the same road as well as of the Memphis, Dallas & Gulf, Arkansas Central, Natchez & Southern, Natchez & Louisiana Railroad Transfer with headquarters at St. Louis, succeeding **C. E. Perkins.**

G. M. Lawrence, assistant trainmaster of the Lake Superior division of the Northern Pacific with headquarters at Duluth, Minn., has been appointed acting trainmaster in charge of the first and second subdivisions with the same headquarters, succeeding **H. J. Councilman,** temporarily assigned to other duties.

H. E. Heller, assistant general freight and passenger agent of the Chicago, Burlington & Quincy, with headquarters at Kansas City, Missouri, has been appointed general freight agent of the Missouri district with headquarters at St. Louis, Missouri, succeeding **William Gray,** resigned. **Frank A. Hart** has been appointed Mr. Heller's successor.

C. A. Smith, general freight agent of the Carolina, Clinchfield & Ohio and the Carolina, Clinchfield & Ohio Railroad of South Carolina, with office at Erwin, Tenn., has had his jurisdiction extended over the passenger department, under the title of general freight and passenger agent, with the same headquarters. (As general passenger agent he succeeds **C. T. Mandel,** deceased.

H. L. Hanes, assistant general freight agent of the Nashville, Chattanooga & St. Louis, the Tennessee Central and

the Birmingham & Northwestern, has resigned to become associated with the J. H. Wilkes Company, grain dealers of Nashville, Tennessee. **J. C. Kirk,** chief clerk in the rate and traffic department of the freight traffic organization of the above mentioned roads, has been appointed to succeed Mr. Hanes.

A. C. Johnson, chairman of the Freight Traffic Committee, of the Northwestern, Central Western and Southwestern regions, and assistant traffic manager of the Chicago & Northwestern, with office at Chicago, has been appointed traffic manager of the Chicago & Northwestern, with the same headquarters, succeeding **H. R. McCullough,** who resigned to accept service with the Chicago & Northwestern Railway Company.

A. J. Chapman, auditor of disbursements of the Southern Lines with headquarters at Cincinnati, has been appointed freight traffic manager of the Alabama & Vicksburg, the Louisiana & Mississippi Transfer, and the Vicksburg, Shreveport & Pacific with headquarters at New Orleans, La. **C. F. Woods,** general passenger agent of the Alabama & Vicksburg, has been appointed general passenger agent of that road and of the Louisiana & Mississippi Transfer and the Vicksburg, Shreveport & Pacific.

George Krause, Jr., division freight agent on the Cleveland, Cincinnati, Chicago & St. Louis, at Cleveland, Ohio, has been promoted to assistant general freight agent with office at Cincinnati, Ohio, a position which he held prior to August, 1918, when, in the reorganization under government control, he was assigned to the position of division freight agent at Cleveland. **J. E. Anderson,** division freight agent at Cincinnati, has been transferred to Cleveland, succeeding Mr. Krause. **Miles Todd,** of the freight department, has been appointed to succeed Mr. Anderson at Cincinnati.

R. B. Battey, chief clerk to the federal manager of the Chicago, Burlington & Quincy, with office at Chicago, has been promoted to assistant general freight agent in charge of coal traffic with the same headquarters, succeeding **W. A. Holley,** whose resignation was announced in the *Railway Age* of June 13, page 1450. Mr. Battey was born in Chicago. He began railway work in April, 1905, as a stenographer in the superintendent's office of the Pennsylvania Lines at Chicago. In 1907 he became connected with the general passenger department of the Chicago, Burlington & Quincy, where re remained until 1910, when he was transferred to the office of vice-president of the traffic department as secretary to **C. G. Burnham,** vice-president. When Mr. Burnham was made federal manager of the Chicago, Burlington & Quincy in 1918, Mr. Battey was appointed chief clerk in the federal manager's office, which position he held until his recent appointment.

Engineering and Rolling Stock

J. A. Bryan, has been appointed roadmaster of the Montana, Wyoming & Southern with headquarters at Belfry, Montana.

F. A. McArthur has been appointed mechanical valuation engineer in charge of the valuation of rolling stock of the St. Louis-San Francisco.

J. C. Dorsey, division engineer of the Pennsylvania division of the Delaware & Hudson, has been transferred to the Saratoga division with headquarters at Albany, N. Y.

C. H. Holdredge, road foreman of engines of the Southern Pacific at San Francisco, Cal., has been appointed assistant general air brake inspector succeeding **A. M. Meston,** promoted.

D. M. Pearsall, shop superintendent of the Atlantic Coast Line at Waycross, Ga., has been appointed superintendent of motive power, second and third divisions, with the same headquarters.

A. M. Meston has been appointed district road foreman of engines and oil burning inspector of the Southern Pacific with headquarters at Los Angeles, Cal., succeeding **F. W. Corcoran,** assigned to other duties.

F. E. Bates, assistant engineer on the Missouri Pacific with office at St. Louis, Mo., has been promoted to assistant bridge engineer with the same headquarters, succeeding **W. D. Hudson,** who has resigned.

B. E. Conlan, roadmaster of the Western Pacific at Portola, Cal., has been appointed roadmaster of the third and fourth districts of the Denver & Rio Grande with headquarters at Walsenburg, Colo., succeeding **Richard Hughes** who has resigned.

J. C. Wrenshall, Jr., has returned to the position of division engineer of the Philadelphia & Reading at Spring Garden Street, Philadelphia, succeeding **W. G. Wieand,** acting division engineer, who has returned to the position of supervisor at Lansdale, succeeding C. D. Adams, acting supervisor, who has been appointed assistant supervisor at Lansdale.

F. W. Hillman, division engineer of the Madison division of the Chicago & Northwestern, with headquarters at Madison, Wis., has been transferred to the Wisconsin division with office at Chicago, succeeding **Lee Jutton,** who has been transferred to the operating department with headquarters at Madison, Wis. **J. A. Dyer,** division engineer of the Southern Illinois division, with office at South Pekin has been appointed to succeed Mr. Hillman and **J. D. Irving,** assistant engineer, with office at Boone, Iowa, has been promoted to division engineer succeeding Mr. Dyer.

Purchasing

F. E. Outerbridge has been appointed storekeeper of the Detroit & Toledo Shore Line Railroad with headquarters at Lang, Ohio.

P. H. Shay has been appointed storekeeper of the Lehigh Valley at Coxton, Pa. **R. E. Walker** has been appointed storekeeper of the Lehigh Valley at Auburn, N. Y.

W. W. Blowney has been appointed assistant purchasing agent in charge of purchases and stores, of the Toledo, St. Louis & Western and the Detroit & Toledo Shore Line with headquarters at Toledo, Ohio.

T. H. Ryan, local purchasing agent at New Orleans, La. of the Vicksburg & Alabama, has been appointed purchasing agent of that road and of the Louisiana & Mississippi Transfer and the Vicksburg, Shreveport & Pacific.

R. I. Irwin, purchasing agent of the Texas & Pacific, the International & Great Northern and other lines under the direction of J. L. Lancaster and F. G. Pettibone, federal managers, has been granted leave of absence. **C. B. Porter** has been appointed acting purchasing agent with headquarters at Dallas, Texas.

Special

J. M. Hughes has been appointed land commissioner of the Northern Pacific with headquarters at St. Paul, Minn., succeeding **Thomas Cooper,** resigned.

Corporate

Executive, Financial, Legal and Accounting

R. A. Clark has been appointed auditor of the Rahway Valley with headquarters at Kenilworth, N. J.

F. M. Hicks, auditor of the Gulf, Mobile & Northern, with office at Mobile, Ala., has been appointed controller of the same company with the same headquarters.

Frank B. Bowes, traffic manager of the Illinois Central, with office at Chicago, has been elected vice-president of the Illinois Central, the Central of Georgia, and the Yazoo & Mississippi Valley. Mr. Bowes was vice-president of the Illinois Central prior to government control.

D. R. Harris, of Henderson, Tex., has been appointed receiver of the Timpson & Henderson Railway Company.

R. W. Hannington, formerly city solicitor at Victoria, B. C., has been appointed general attorney of the Canadian National with office at Vancouver, B. C., a position newly created.

George H. Ingalls, senior traffic assistant to the regional director of the Eastern region and traffic manager of the New York Central, lines west of Buffalo, with office at Chicago, has been elected vice-president of the corporation, with the same headquarters.

H. E. Byram, has resigned as federal manager of the Chicago, Milwaukee & St. Paul, the Ontonagon and the Escanaba & Lake Superior, having been elected president of the Chicago, Milwaukee & St. Paul Railroad Company, which position he held prior to federal control. **R. M. Calkins,** who has been president during the period of federal control, has been elected vice-president in charge of traffic.

Edward G. Smith, formerly cashier for the Union Pacific but engaged for the past two years in construction work for The United States Government, has been appointed assistant treasurer of the Union Pacific with headquarters at New York city succeeding **C. W. Weston,** who resigned to become vice-president of the Metropolitan Trust Company, New York.

J. B. McLaren, auditor of revenue of the Grand Trunk system with office at Montreal, has been appointed general auditor succeeding **J. M. Rosevear** promoted. Mr. McLaren began railroad service as junior clerk of the Grand Trunk at Brockville, Ont., and later held the positions of accountant, chief clerk, agent and general yard master at Durand, Mich. He was appointed clerk in the audit office of the Grand Trunk headquarters in 1901 and has since been successively traveling auditor, chief clerk to the auditor of the freight accounts and auditor of revenues. **W. S. Harrison,** assistant to Mr. McLaren, has been appointed to succeed him as auditor of revenues.

Operating

C. W. P. Ramsey, assistant superintendent of the New Brunswick district of the Canadian Pacific with office at Brownville Junction, Maine, has been appointed acting superintendent with the same headquarters, succeeding **J. H. Boyle,** temporarily assigned to other duties.

C. J. McGregor, car distributor in the car service department of the Canadian Pacific, has been appointed assistant superintendent of the Smith Falls division; **C. L. Leighty,** chief dispatcher at Smith's Falls, has been appointed assistant superintendent of the Montreal Terminals division.

Traffic

T. D. Geoghegan, traffic manager of the Gulf, Mobile & Northern, with office at Mobile, Ala., has been appointed traffic manager of the corporation with the same headquarters.

J. H. Norton has been appointed assistant general freight agent of the Canadian National with headquarters at Moncton, N. B. **E. B. Robb,** division freight and district passenger agent for the Transcontinental Division, with office at Cochrane, Ont. has been appointed division freight agent with headquarters at Halifax, N. S., **W. E. G. Bishop** has been appointed to succeed Mr. Robb.

Engineering and Rolling Stock

C. H. Tillett, acting signal engineer of the Grand Trunk at Montreal, has been appointed signal engineer succeeding **R. F. Morkill,** resigned.

A. M. MacGillivray, resident engineer on the Canadian National at Port William, Ont., has been promoted to district engineer at Saskatoon, Sask., succeeding **H. L. Vercoe,** who has been assigned to other duties.

Purchasing

A. S. Perry, of the New York City office of the Panama Railroad Company, has been appointed assistant commissary purchasing agent at New Orleans, La., a newly created position.

Obituary

Edgar Shimp, freight agent of the Pennsylvania Western Lines, at Alliance, Pa., died September 8 at his home in Alliance, Pa.

J. R. Anderson, superintendent of the Blue Ridge at Anderson, S. C., died suddenly of apoplexy in the railroad yards at Anderson, November 4.

John T. Finerty, trainmaster of the Delaware, Lackawanna & Western, at Scranton, died October 27 at his home, 362 Butler Street, Dunmore, Pa.

Robert Weddell, founder of the Weddell Bridge & Engine Works, Trenton, Ont., which has executed many contracts for the Dominion Department of Railways and Canals, died at Trenton recently.

William Zabel, designing engineer and formerly engineer of production of the Union Switch & Signal Company, Swissvale, Pa., with office in that city, died at Wilkinsburg, Pa., on October 22, at the age of 39 years.

Z. T. Brantner, superintendent of the maintenance of the way shops of the Baltimore & Ohio at Martinsburg, W. Va., died in that city October 21. Mr. Brantner has been in the service of the Baltimore & Ohio for 57 consecutive years.

Samuel O. Malin, formerly special agent of the Northern Central and the Philadelphia, Baltimore & Washington, with headquarters at Baltimore, died recently at his home in that city. Mr. Malin retired in 1916 at the age of 70 years.

Howard B. Bryning, district passenger agent on the Chicago Great Western, with office at Kansas City, Mo., died in that city recently at the age of 47 years. He was at one time traveling passenger agent on the Northern Pacific.

George W. Thompson, assistant to **R. J. Parker,** general manager of the Panhandle & Sante Fe, and formerly general superintendnt of the Detroit, Toledo & Ironton, died in Springfield, Ohio, October 19 following a nervous breakdown.

William C. Copley, special agent of the Pennsylvania, with headquarters at Altoona, Pa., died October 15, at his home in Altoona after an illness of four years. Previous to his appointment in 1918, as special agent, Mr. Copley was freight trainmaster of the same road.

James C. Rogers, former division superintendent of the Vancouver division of the Spokane, Portland & Seattle with headquarters at Vancouver, B. C., died recently in Spokane, Wash., at the age of 54 years. Mr. Rogers was in the service of the Great Northern from 1889 to 1900 as dispatcher and superintendent. Later he went to Alaska in the service of the White Pass & Yukon, where he remained for seven years prior to becoming connected with the Spokane, Portland & Seattle.

John B. Brownell, formerly assistant general auditor of the Delaware & Hudson, died suddenly at his home in Altamont, N. Y., Sept. 12. Mr. Brownell was born at Schenectady, N. Y., December 31, 1842. In 1870 he entered railroad service as clerk in the freight office of the Delaware & Hudson at Troy, N. Y., and continued in the service of that company 48 years. In 1903 he was appointed auditor of revenue and nine years later was promoted to assistant general auditor, a position he held until pensioned on July 1, 1918.

Doctor James Burry, chief surgeon of the Elgin, Joliet & Eastern and the Illinois Steel Company, was found dead on the suburban tracks of the Illinois Central near Harrison

street in Chicago recently. Whether he had been robbed and then thrown from a railroad train or had been the victim of an accident the police have been unable to determine. Doctor Burry, who was 65 years old, was born in Montreal, Canada, and came to Chicago at the age of 15 years. He was graduated from the Chicago Medical College in 1875 and began practicing in Chicago in 1883, and has been chief surgeon of the Elgin, Joliet & Eastern for 25 years.

Patrick Laden, district engineer of the Illinois Central at Waterloo, Iowa, died at his home in Rockford, Ill., on October 13, following a stroke of apoplexy. He was 57 years old. Mr. Laden entered railway service with the Illinois Central in 1887 as extra gang foreman. In 1888 he was promoted to road supervisor, with office at Rockford, Ill., and in 1889 was made roadmaster of the Mississippi division with office at Jackson, Tenn. From that year until 1907 he was roadmaster on various other divisions and in the latter year was made superintendent with office at Mattoon, Ill. In 1912 he was appointed district engineer of the Northern and Western lines with office at Waterloo.

Joseph S. Ford, former secretary and auditor of the Chicago & Eastern Illinois, with headquarters in Chicago, died October 16 at Jamaica Plain, Mass. Mr. Ford was born at Damariscotta, Maine, in 1839. He entered railway service in 1868 as treasurer of the Missouri Valley and served successively as treasurer, auditor and controller of several western roads until October, 1901, when he was appointed assistant secretary and assistant treasurer of the St. Louis-San Francisco with headquarters at New York. In 1903 he resigned to become secretary and auditor of the Chicago & Eastern Illinois. He served the latter company until May 1, 1916, when he resigned on account of ill-health.

John H. Pratt, cashier and paymaster of the Chicago & Eastern Illinois, died October 31, at Asheville, N. C. Mr. Pratt was born in Swaffham, Norfolk, England, on July 10, 1871, and came to the United States in March, 1889. He entered railway service in 1890 as a clerk in the general office of the Chicago, Rock Island & Pacific. In 1895 he resigned, returning to Europe to visit relatives. In August, 1896, he returned and became connected with the Chicago & Eastern Illinois, with headquarters at Chicago. In April, 1903, he was appointed cashier and paymaster which position he held until his death. Because of ill health he was granted a leave of absence in May, 1918.

George H. Earl, vice-president of the Northern Pacific, died October 25 at his home in Jersey City. Mr. Earl was born in Jersey City in 1857 and graduated from the Jersey City High School with the class of 1877. Two years later he began railroad work as clerk to the general counsel of the Northern Pacific. Later he became stenographer and clerk to the vice-president. From October 21, 1886, until October, 1890, he was assistant secretary. He was appointed secretary in 1890 and retained that position until August 15, 1893, when he became assistant secretary and treasurer. In 1897 he resumed the duties of secretary and became assistant treasurer, in which capacity he served until October 24, 1916, when he was elected vice-president.

William R. Hudson, general manager of the Atlanta, Birmingham & Atlantic, Charleston & Western Carolina, Augusta & Summerville, Atlanta & West Point, Western Railroad of Alabama, Georgia Railroad, Augusta Union Station, Atlanta Terminal and Augusta Belt, with headquarters at Augusta, Ga., died September 25. Mr. Hudson was born in Pulaski County, Va., in November, 1886, and received a grammar and high school education. He entered railroad service in 1882 as freight handler with the Norfolk & Western, remaining with that company until 1901, during which time he advanced to trainmaster. The year just mentioned he became trainmaster of the Seaboard Air Line; in 1907 was promoted to superintendent and in May of the same year left the Seaboard Air Line to become general superintendent of the Norfolk Southern. From August to October, 1912, he was assistant general manager of the Atlanta, Birmingham & Atlantic; from then until April, 1918, served as general superintendent of the Chesapeake & Ohio. In April, 1918, he returned to the Seaboard Air Line as general superintendent but resigned in December of that year to accept the position he held at his death, general managership of the roads mentioned above.

John J. Reardon, for the past 12 years superintendent of the Litchfield & Madison at Edwardsville, Ill., died Sept. 19 at Edwardsville. Mr. Reardon was born in May, 1862, at Southfields, N. Y., and received a public school education. He entered railroad service at the age of 17 as station agent of the Erie. Two years later he became station agent, telegraph operator and interlocking tower man of the Long Island. In 1884 he was appointed train dispatcher and sometime later chief train dispatcher of the Long Island. Eight years following he was trainmaster of the Chicago & Alton at Bloomington, Ill., a position he held ten years and left to become general yard master of the Chicago Terminal. Having served in the capacity just mentioned two years, he was appointed superintendent of the Litchfield & Madison.

David Bosman, vice-president, secretary and treasurer of the Erie, and for two years Mayor of Rutherford, N. J., died October 24 at his home in Rutherford after several months' illness. Mr. Bosman was born in Brooklyn, N. Y., December 18, 1864. He was graduated from the Brooklyn High School and for the first few years after graduation from school he was employed in the law office of William B. Hornblower, New York city. At the age of 23 he began railroad work as clerk in the office of the general manager of the Erie. The following year he was appointed secretary to the vice-president and in 1894, secretary to the receiver. In 1895, he became secretary of the Chicago & Erie, now part of the Erie, and in 1903, assistant secretary of the Erie. Later that year he was made secretary. He received his appointment as vice-president in 1911. In 1918 he was appointed treasurer of the Erie.

Morgan K. Barnum, corporate mechanical engineer of the Baltimore & Ohio, died suddenly October 26 at Baltimore, Md. Mr. Barnum acted as assistant to the vice-president of the Baltimore & Ohio, giving special attention to the conservation of material of all kinds from stationery to locomotive and car material and such as is used for the maintenance of way and buildings. He undertook this work in February, 1917, the position having been created for him. He graduated from Syracuse University in 1884 with the degree of A.B. and later received the degree of A.M. Shortly after graduation he began railroad work as apprentice in the shops of the New York, Lake Erie & Western, now the Erie, at Susquehanna, Pa. He soon became machinist and mechanical inspector and two years later was promoted to general foreman of the same road at Salamanca, N. Y. In 1889 he was appointed general foreman of the Louisville & Nashville at New Decatur, Ala., and in September of the following year became superintendent of shops of the Atchinson, Topeka & Santa Fe at Cheyenne, Wyo. During the years intervening between 1890 and 1904 he continued to rise, serving for periods with the Union Pacific, Southern and the Chicago, Rock Island & Pacific in different positions. In 1904 he was appointed mechanical expert of the Chicago, Burlington & Quincy and left that road in April, 1910, to become general superintendent of motive power of the Illinois Central and the Yazoo & Mississippi Valley. He joined the staff of the Baltimore & Ohio in July, 1913, as general mechanical inspector and in September of the next year was promoted to superintendent of motive power, the position he held when he was appointed corporate mechanical engineer.

THE CO-OPERATIVE STORE PROJECT among railroad employees is looked upon with favor by the allied shop employees of New Castle, Pa., who have started a movement for such a store through which they will purchase their foodstuffs, etc. Incorporation and a capital of $30,000 with which to start are proposed.

EDITORIAL

Railway Age

Table of Contents will be found on Page 5 of the Advertising Section.

The Plumb Plan in the Movies

The Plumb plan will be dramatized and presented to the public as a movie. This information comes from press reports accredited to reliable correspondents in the movie-producing field about Los Angeles, Cal. It is practically impossible to even hazard a guess as to the manner in which the Plumb plan could be incorporated, as the dramatic *raison d'etre,* in a story. However, one who has studied the plan in all its ramifications can readily see many features, especially in its results, that would lend themselves admirably to moving pictures rather than to any other form of exposition. For instance, the steady stream of dollars from the taxpayer's pockets to the government for the paying of deficits incurred under this form of railway ownership and management certainly would require a moving picture with its rapidity to adequately present the situation. If the authors and producers of this new development in the present economic struggle tell the "whole truth and nothing but the truth," they certainly will outrival the greatest authors and producers of this age, who have considered the sovietizing of the world's greatest republic a subject too great for them to chronicle in this period.

Americanization on Railroads

This country is suffering severely from the almost absolute lack of any system for educating to our customs and ideals the great hordes of immigrants that flocked to our shores year after year before the opening of the world war. Foreigners have been left largely to themselves; little real interest has been shown in their methods of living or of their habits or beliefs; in many cases they have been exploited by selfish and unprincipaled interests. The seriousness and danger of this neglect—and in some cases abuse—is clearly evident today. There are many foreigners in the employ of the railroads and it is questionable whether any better investment can be made by the management than that involved in an aggressive Americanization program. The Railroad Y. M. C. A., in connection with its continental extension program, is planning on directing some of its energies to this end and the railroads can well afford to back up this effort; indeed, they should supplement it, for there are many points that are not served or cannot be reached by the Y. M. C. A. One suggestion made by the Railroad Y. M. C. A. is the formation of clubs with the slogan, "Every member a voter"; but why should not the roads as a whole enter into such a campaign; why not have the different divisions vie with each other in having every employee become an American citizen as soon as possible—and also an intelligent voter? This movement is every bit as important as a Liberty Loan or Victory Loan campaign. Why not instill the same spirit and organization into it and "put it over the top?" Even an optimist must admit that the days to come will be full of serious problems for this country and that of making real Americans of our foreign population is not the least of these. Let it not be said by our sons and grandsons that we lacked in preparedness in this respect.

A Short-Sighted Policy

It is a question whether the general movement toward drastic railway regulation during the last two decades was more the result of the wide publicity given to several notorious cases of gross mismanagement, or arbitrary business methods on the part of certain railway officers in cases where lack of competition gave them the advantage over the shipper. While most railway executives now see the folly of this policy, it is a fact that evidences of this tendency still crop out from time to time. To illustrate: A recent derailment on the coal track of an industrial plant caused a car to run through a corner of the building and block the track so that three coal cars could not be withdrawn. When the track was repaired the industry entered a claim for damage to the building, and the railroad presented a bill for demurrage on the three cars for the time that they were tied up on the track and proceeded to take advantage of its strategic position by refusing further service until the bill was paid. The merits of the controversy are of no importance; it is entirely possible that the industry was responsible for the maintenance of the track and liable for all damage done by the derailment. Nevertheless, a shortsighted, arbitrary disposal of a case such as this can have but one effect—to make another strong advocate of rigid and minute regulation of the roads by the local regulating authority. Because of the thoughtless acts of a few, many may be forced to suffer unjustly.

The Russian Situation

One of the sessions of the recent meeting of the American Manufacturers' Export Association held in New York on October 16 and 17, was devoted to trade with Russia. The several speakers who addressed the session clearly brought out the important fact that the American business man owes it to himself to study Russia and to lay his plan for cultivating that country as a future export market. Russia today does not present much of a market for anything, but it is well to remember that the tide in that great country has turned and the plague of Bolshevism is gradually being eradicated. Russia represents not only a great nation but a great market, and one that we will make a great mistake in believing that we cannot cultivate. At present it is apparent that the Germans are much more alert to the possibilities there than we are. Germany, from its experience before the war, understands the Russian market probably better than any other country. Today she has the advantage over most of her competitors in the almost ridiculously low value of the mark. But we must not agree that we are to be left out because of these factors. It would no doubt help Germany the better to meet her obligations to the world to cultivate the Russian market, but the rest of the world is in no position to sit back and let the Russian market get into the hands of a single nation—especially one such as Germany has shown herself to be commercially or otherwise. The railway supply industry of this country is perhaps the best fitted of any American industry to take up the work in hand.